

Your Guide to Paying for College

Focus

on Financial Aid



Useful Financial Aid Web Sites

Minnesota Higher Education Services Office
www.mheso.state.mn.us

The Services Office provides information on the financial aid process and federal and state financial aid programs, and includes an online financial aid estimator, Minnesota tuition and fees chart, an online tuition reciprocity application, and SELF loan counseling and repayment calculator.

Federal Student Aid
www.studentaid.ed.gov

This U.S. Department of Education web site for students and families provides detailed information on pursuing education beyond high school.

Free Application for Federal Student Aid (FAFSA)
www.fafsa.ed.gov

This web site allows students to apply for student financial aid, check the status of their application, and make changes online.

FinAid: The SmartStudent Guide to Financial Aid
www.finaid.org

This web site provides links to numerous sources of information about student financial aid, and includes an online searchable database of more than 180,000 private sector scholarships, fellowships, grants, and loans; advice on identifying scholarship scams; and a variety of useful online calculators.

Student Gateway to the U.S. Government
www.students.gov

The federal government in this site has compiled a variety of student aid information and tools for students and administrators.

Frequently Asked Questions

How do students apply for financial aid?

To apply for most financial aid, students must complete a need analysis form called the *Free Application for Federal Student Aid*, or FAFSA. This form is used to determine federal, state, and school aid. Or apply online at www.fafsa.ed.gov. See page 4 for more details.

Is there a fee charged to apply for financial aid?

No, but most loans charge origination fees. Almost 95 percent of all student financial aid is awarded by the federal and state governments or the school itself using the results of the *Free Application for Federal Student Aid*. See page 8 to learn how to protect yourself from fee-based financial aid search companies.

How much financial aid will I or my child receive?

The amount of financial aid a student is offered depends on the price of the school and the income, living expenses, assets, and savings of the student and his or her family (if the student is a dependent) as well as how many family members are in college. The FAFSA is used to determine financial need. See page 4 to learn more.

Do I have to apply for financial aid every year?

Yes, but if you applied in the previous year, you may be able to complete the shorter Renewal FAFSA. See the flow chart on page 5 to learn more.

Important Application Deadlines

If you attend a Minnesota post-secondary institution in 2004-2005, you may apply for a Minnesota State Grant within 14 days of the start of the term at your school and still receive an award for that term.

If you plan to attend a post-secondary institution in 2005-2006, you may submit your application after January 1, 2005, but it must be received within 14 days after the start of the term at your school.

Telephone Assistance

Students with questions may contact the Services Office at (651) 642-0567 or (800) 657-3866. At the recording, press:

#1 for Grants and Reciprocity

#2 for SELF Loans

#6 for financial aid publications

#7 for Minnesota College Savings Plan

If you're calling from a dial phone, stay on the line, and your call will be answered.

For information about federal student aid matters, call the Federal Student Aid Information Center at (800) 4-FED-AID (800-433-3243) or (800) 730-8913 TDD Monday through Friday, 9 a.m. to 5:30 p.m. (Eastern Standard Time).



The Minnesota Higher Education Services Office provides statewide post-secondary services to help the citizens of Minnesota achieve student financial access to post-secondary education. The Office administers the state's student financial aid programs, negotiates and administers interstate tuition reciprocity programs, and provides students and parents with information about academic and financial preparation for post-high school education.

Contents



- What Is Financial Aid?** 2
- How Do I Apply for Financial Aid?** 4
 - Application Procedures 4
 - When to Apply 6
 - Who is Eligible 6
- What Kinds of Financial Aid Are Available?** 8
 - Grants 9
 - Federal Pell Grant Program 9
 - Minnesota State Grant Program 9
 - Federal Supplemental Educational Opportunity Grant Program 11
 - Minnesota Post-Secondary Child Care Grant Program 11
 - Scholarships 12
 - Where to Find Private Scholarships 13
 - Warning Signs of a Scholarship Scam 13
 - Loans 13
 - Federal Subsidized Stafford Loans 14
 - Federal Unsubsidized Stafford Loans 15
 - Federal Parent Loans for Undergraduate Students (PLUS) 16
 - Federal Direct Stafford Loans 16
 - Federal Perkins Loans 17
 - Minnesota Student Educational Loan Fund (SELF) 17
 - Repayment of Student Loans 19
 - Work Study 20
 - Community Service Benefits 20
 - Military Service Benefits 21
 - Financial Aid for Specific Populations 23
 - Reciprocity and Reduced Tuition Options 27
- Are There Any Education Tax Benefits?** 30
- Summary of Financial Aid Programs** 34
- Where Can I Get Additional Help?** 38
- Glossary of Financial Aid Terms** 41
- Financial Aid Contacts List** 43



What Is Financial Aid?

Over \$105 billion in financial aid is available nationally from federal, state, institutional, and private sources.

Although college costs increase each year, there is a bright side: most students are eligible for some type of financial aid.

Minnesota's financial aid programs award more than \$200 million in aid each year and are recognized as among the best in the nation. Each year thousands of students receive some form of state financial aid or participate in tuition reciprocity programs.

Financial aid can help you no matter what type of school interests you. By planning carefully and applying early, you can afford post-secondary education. Guidance and counseling are available at your high school and at post-secondary institutions.

Purpose of Financial Aid

Financial aid helps millions of students pay for their education beyond high school. Most financial aid is awarded on the basis of need.

The price of attending a post-secondary institution varies greatly depending on the type of school, its location, and curriculum. Total price of attendance usually considers:

- tuition and fees
- room and board
- books and supplies
- personal expenses
- transportation expenses

Financial aid is added to what you and your family are expected to pay to cover the price of attendance. This allows students to choose from a wide range of schools, including some they might otherwise not be able to afford.

Types of Financial Aid

Financial aid comes in three forms:

- *Grants or Scholarships*: awards that you do not have to repay.
- *Loans*: borrowed funds that must be repaid with interest, usually after your education is completed.
- *Work-Study*: money earned through on- or off-campus jobs.

Sources of Financial Aid

Financial aid comes from four key sources:

- The federal government, the largest source of financial aid for undergraduates
- The state government
- The school itself
- Private organizations and corporations

The school will use funds from all available sources to create a financial **aid package**.

Aid from Federal Government

The federal government generally awards financial aid to students from low- and moderate-income families. The largest federal grant program is the Federal Pell Grant Program. This program provided \$167 million to 76,500 undergraduates attending Minnesota schools of higher education in Fiscal Year 2003.

The government also offers loans to help students pay for their higher education. These programs allow students to pay part of the price of their education with future income. The largest of the federal loan programs is the Federal Stafford and the Federal Direct Loan Programs.

The federal government also subsidizes work study jobs at various colleges and universities. About 17,500 students at Minnesota schools earned \$24.2 million in federal work study jobs in Fiscal Year 2003.

Aid from State Government

The state of Minnesota awards most of its financial aid to students from low- and moderate-income families. In Fiscal Year 2003, Minnesota students received about \$135 million in state need-based aid:

- \$133.6 million in Minnesota State Grants to approximately 72,000 Minnesota residents attending Minnesota post secondary institutions as undergraduates
- \$1.1 million in Post Secondary Child Care Grants
- \$40,000 to the survivors of safety officers killed in the line of duty

The state subsidizes a number of work study jobs at schools around the state. In 2002, about 12,000 students earned \$17.8 million in state work study jobs.

Minnesota also operates a state loan program, the Student Educational Loan Fund (SELF), for students and families who have exhausted or do not qualify for need-based aid. Minnesota students borrowed approximately \$107 million in SELF loans in Fiscal Year 2003.

Aid from Institutional Sources

Besides administering several federal and state aid programs, many colleges and universities have their own scholarship, loan, and work programs. These may include:

- alumni sponsored awards
- privately sponsored scholarships
- athletic awards
- general institutional funds used for financial aid

When awarding institutional aid, some schools may collect supplemental data on income and assets or other items not required by the *Free Application for Federal Student Aid* (FAFSA).

Aid from Private Sources

Financial aid also is available from many community agencies, foundations, corporations, clubs, and civic and cultural groups.

Some awards are based on financial need. Others are based on your academic achievement, religious affiliation, ethnic or racial heritage, community activities, artistic talents, athletic ability, career plans or field of study, or special hobbies and interests.

Financial Aid Estimator

Use this online financial aid estimator to estimate your eligibility for a Federal Pell Grant, Minnesota State Grant, and federal education tax benefits.

Go to www.mheso.state.mn.us and click on *Paying for College* and then *Calculators and Estimators*.

Expected Parent's Contribution Chart

Use this chart to estimate how much your parent may be expected to pay out of pocket for your education.

Go to www.mheso.state.mn.us and click on *Paying for College* and then *Financial Aid*. Select *How Financial Need is Determined*.

Qualifying for Aid

Most financial aid programs assume that students and parents have a responsibility to pay a share of educational costs. The amount you and your parents are expected to contribute will vary according to such factors as income, assets, the number of children in the family, and the number of children attending post-secondary institutions. Students and parents are expected to provide funds from savings, earnings, loans, or additional assistance from private or school sources.

Students and their families apply for most federal and state aid by completing the *Free Application for Federal Student Aid* (FAFSA). The FAFSA assesses income and net worth to determine what you and your parents can reasonably be expected to pay. This is called your **expected family contribution** (EFC). The school uses this to identify your **financial need**:

$$\begin{array}{r} \text{Price of Specific School} \\ - \text{Expected Family Contribution} \\ = \text{Financial Need} \end{array}$$

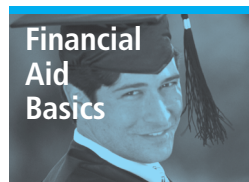
Most types of aid are offered only if your expected family contribution is not enough to cover the price of attending a particular school. Based on your financial need, your school will tailor a **financial aid package** which may include a combination of grants, scholarships, work-study, and loans. The amount you actually receive will depend on the availability of funds, state and school policies, and the number of students needing assistance at your school.

Although your expected family contribution may stay the same, your financial aid eligibility typically increases as the price of a school increases:

$$\begin{array}{r} \$5,000 \text{ Price of College A} \\ - \text{3,100 Expected Family Contribution} \\ = \$1,900 \text{ Financial Need} \end{array}$$

$$\begin{array}{r} \$15,000 \text{ Price of College B} \\ - \text{3,100 Expected Family Contribution} \\ = \$11,900 \text{ Financial Need} \end{array}$$

Financial Aid Basics



To qualify for most financial aid, you have to show that you do not have enough income, savings, or assets to pay the price of attendance.



How Do I Apply for Financial Aid?

In order to receive financial aid, you must apply for it. Applying for admission to a school is not enough. Filling out the *Free Application for Federal Student Aid* (FAFSA) is the first step in determining your financial aid eligibility.

Timing also is important in obtaining financial assistance. Not only do you need to know what to do, but you also need to know when to do it.

Application Procedures

You must complete the FAFSA to apply for most types of financial aid. There is no charge for applying, but you reapply each

year using a shortened renewal form. The application procedure also may vary by program and by school so be sure to check with the school's financial aid administrator.

The paper FAFSA becomes available in early winter, and may be obtained from high

school counselors, financial aid administrators at post-secondary institutions, local public libraries, and from the Higher Education Services Office. You also may request a copy by calling the Federal Student Aid Information Center at (800) 433-3243 or (800) 730-8913 TDD. The FAFSA also is available in Spanish. Or you may apply online at www.fafsa.ed.gov. Check with the school you are attending or plan to attend to determine which method is preferred.

The FAFSA is used to apply for the Federal Pell Grant, the Federal Stafford Loan, the Minnesota State Grant, and some awards available at colleges. Other campus financial aid programs may require additional applications. Check with the college's financial aid office for more information.

To complete the FAFSA, you will need to have the following financial records:

- your tax return (if filed)
- your parents' return if you apply as a dependent student
- your spouse's return (if you're married and your spouse filed a separate return)

It also helps to have other records such as W-2 forms, current bank statements and mortgage information, records of untaxed income (veterans, social security, or welfare benefits), and business and farm records.

Title IV school codes used to complete the FAFSA are available at www.fafsa.ed.gov or see the school list on page 43.

Fill out the FAFSA completely and accurately, and be sure to get it in on time. Even a minor problem with the form can result in delays, errors in awards, or your becoming ineligible for assistance. Save all records and other materials used to prepare your application in case you are asked to verify that it is correct.

Your FAFSA will be analyzed, and a **Student Aid Report** (SAR) will be sent to the schools you designate. This report will confirm the information you provided on the FAFSA, and it contains your expected family contribution.

For tips on completing the FAFSA, visit www.studentaid.ed.gov/completestudentaid/ or *Financial Aid* under *Paying for College* at www.mheso.state.mn.us.

Conditions for Receiving Federal Financial Aid

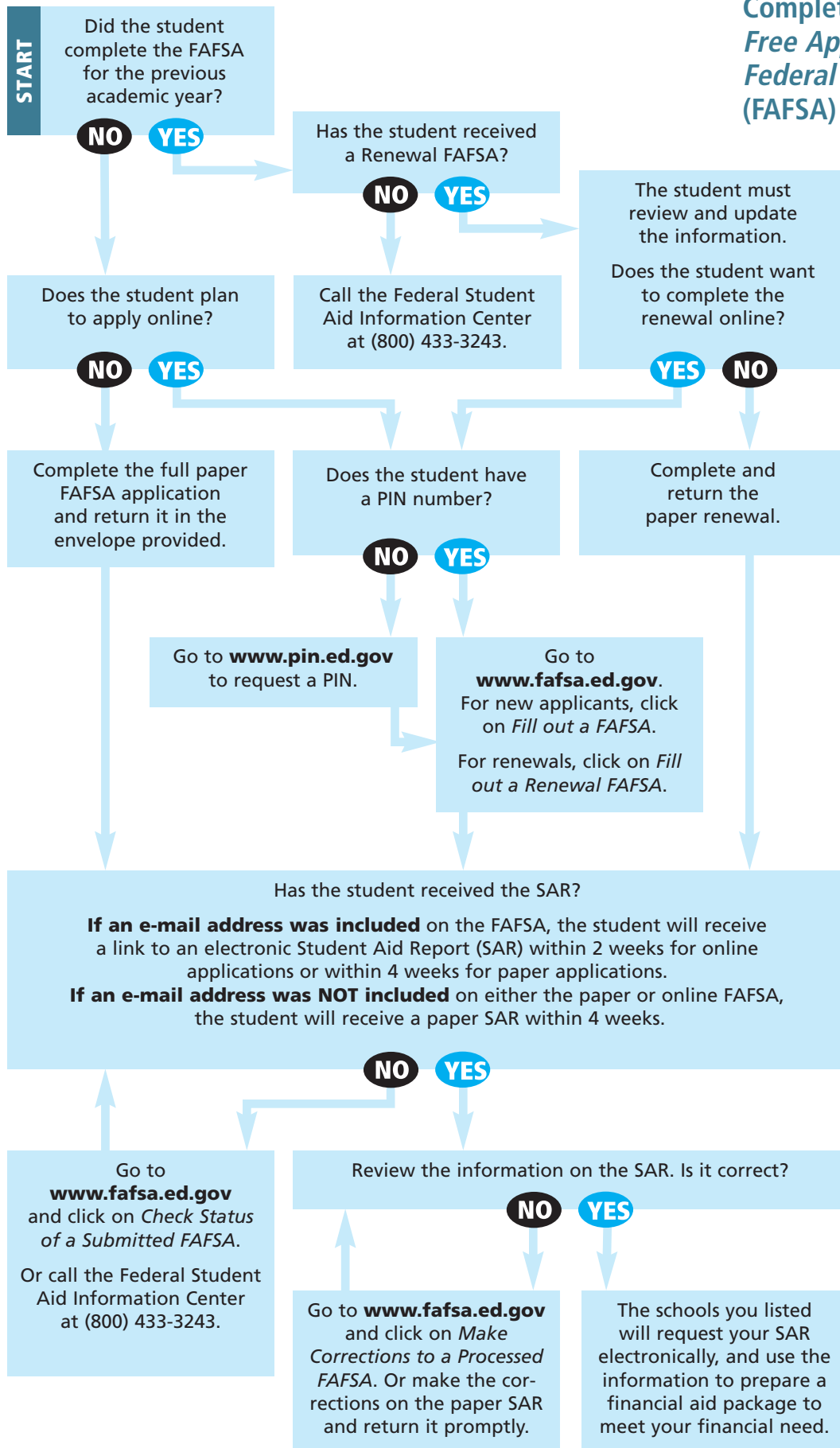
For the Federal Pell Grant Program and other federal programs, you must:

- be enrolled in a program leading to a certificate, degree, or diploma at a school eligible to participate in the Federal Pell Grant program.
- sign a statement of registration status indicating that you have either registered with the Selective Service (www.sss.gov) or that you are not required to register. You must register if you are a male born on or after January 1, 1960, are at least 18, and not currently on active duty in the Armed Forces.
- maintain satisfactory academic progress. If you are receiving federal student aid and are enrolled in a program that is longer than two years, you must have a C average by the time you are half way through your course of study, or have an academic standing consistent with your institution's graduation requirements.

Check the status
of your FAFSA at
www.fafsa.ed.gov
by clicking on
FAFSA Follow-up.

Completing the Free Application for Federal Student Aid (FAFSA)

Applying
for
Financial
Aid



- sign a statement stating that you do not owe a refund on a Pell Grant and are not in default on a federal loan, and that you agree to use your student aid only for educational purposes.
- be a U.S. citizen or eligible non-citizen.
- not have a recent conviction for the possession or sale of illegal drugs.

When to Apply

The first, and possibly the most important, step in obtaining financial aid is to plan ahead and apply early. This will improve your chances of finding assistance.

Application deadlines can vary by program, state, and school. Return your completed FAFSA using the return envelope included with the application, or apply online at www.fafsa.ed.gov.

Federal Pell Grants: If you attend a post-secondary institution in 2004-2005, you may apply through June 30, 2005 to receive a Federal Pell Grant for the enrollment period between July 1, 2004 and June 30, 2005.

Minnesota State Grants: The FAFSA must be received by the federal application processing center no later than 14 days after the start of that term.

Federal Stafford Loans: You may apply for a Stafford Student Loan any time during the

year, but must allow for processing time before the end of the school term. There are several different application procedures. Check with the financial aid office at the school you attend or plan to attend to learn which procedure it recommends and how much time will be necessary for processing.

If you estimate your federal income taxes on the FAFSA, many schools will hold off awarding financial aid packages until your income is verified.

Tuition Reciprocity: Application forms become available around April 1 of every year for Minnesota's reciprocity tuition programs with Wisconsin, North Dakota, and South Dakota.

If you plan to attend school in 2005-2006 in one of these neighboring states, you can obtain an application from the Services Office, high school counselors, or eligible colleges. Or print a paper application from the Services Office web site. Most Minnesota residents also can apply for reciprocity online at www.mheso.state.mn.us.

Campus-based Programs: The deadlines for various campus-based programs are set by the financial aid office at the school.

Who Is Eligible

To be eligible for federal and state financial aid, all students must meet guidelines.

Dependent or Independent Status

All students are considered either **dependent** (on your parents) or **independent** (self supporting).

Dependent students must submit financial information about their parents on the FAFSA. This information is required even if the parents do not intend to help pay for the student's education; the student is then responsible for the parent's share as well.

You are automatically considered an independent student for the 2004-2005 award year if you are 24 or older as of December 31, 2004. If you are under 24, you will be considered independent if you are:

- a graduate or professional student
- married
- a student with legal dependents other than a spouse
- veteran of U.S. Armed Forces
- orphan or ward of the court
- classified by your financial aid administrator as independent because of unusual circumstances

Appeals: If you think you should be independent because of unusual circumstances, even though you normally would be considered dependent, talk to the financial aid administrator at your school. The aid administrator may use his or her judgment to change your status to independent if he or she believes your status warrants it. That decision is final.

Minnesota Resident or Non-Resident Status

To be considered a Minnesota resident for the State Grant, State Work Study, and the Post-Secondary Child Care Grant, a student must meet one of the following criteria:

- graduated from a Minnesota high school while residing in Minnesota
- received a GED in Minnesota after living in the state for at least one year
- lived in Minnesota for at least one year for other than educational purposes (was not enrolled for more than five credits in any term during that time)
- the dependent student's parents resided in Minnesota when the financial aid applications were submitted
- the independent student originally met the resident definition as a dependent applicant, and has not moved from the state since that time

Students and their families are not penalized for leaving the state to serve in the military or missionary service, or to attend college in another state if they retained Minnesota as their state of legal residence.

Questions about a student's residency status should be directed to the financial aid office at the school the student is attending or plans to attend.

Eligible Non-Citizen Status

When applying for federal or state financial aid, you must be a U.S. citizen, U.S. national, or an eligible non-citizen.

You are an eligible non-citizen if you:

- are a U.S. permanent resident with an Alien Registration Card (I-551)
- are a conditional permanent resident with an I-551C card
- have an Arrival Departure Record (I-94) from the Department of Homeland Security with any of the following designations: refugee, asylum granted, parole, or Cuban-Haitian entrant

Eligible Distance Learner Status

Students enrolled in online, correspondence, or other distance education programs may be eligible for some types of financial aid.

To be eligible for some forms of federal financial aid, the student must:

- attend an institution where at least half the students enroll in on-campus courses; a limited number of schools are exempt from this
- attend a program that offers at least one day of instruction each week
- be a U.S. citizen, U.S. national, or an eligible non-citizen

Students also may be eligible for a loan through the Minnesota Student Educational Loan Fund (SELF) Program (see page 17) at participating institutions.

Undergraduate Minnesota residents may qualify for a Minnesota State Grant if the institution is physically located in Minnesota and participates in the program. The method of educational delivery is not considered when determining eligibility for or the amount of the State Grant.

To learn more about financial aid eligibility as a distance learner, check with the financial aid administrator at the school the student is attending or plans to attend.

Visit www.mnvu.org to learn more about distance learning opportunities from Minnesota schools.

Changes That Affect Eligibility

Various factors may result in increases or decreases in your eligibility for financial aid:

Class Load: Increases or decreases in your number of credits per term may affect how much financial aid you are eligible to receive. Before making changes to your class schedule, check with your financial aid administrator for more details.

School Transfer: Financial aid does not automatically transfer with the student to a new institution. Students must contact the financial aid administrator at the new school to determine what actions should be taken to receive aid. Students with federal aid must be sure to have an electronic version of the FAFSA results sent to the new institution. In many cases, the new institution will be able to access the federal application system electronically. Students with a Stafford Student Loan, PLUS, or SELF loan will need to reapply. See your financial aid administrator for details.

Family Financial Status: Students and families sometimes experience changes in their financial status due to special circumstances, such as the loss of a job, serious illness, disability, separation or divorce, or death in the family. If your family income changes, your financial aid eligibility also may change—even if you previously applied and were denied assistance.

Contact the financial aid administrator at the institution you attend or plan to attend and explain your circumstances. In special instances, the aid administrator can adjust the information used to calculate your expected family contribution which may result in increased financial aid eligibility-based on your revised level of financial need.

Applying
for
Financial
Aid



The Student Guide, 2004-2005

Published by the U.S. Department of Education, this publication provides information on federal grants, loans, and work-study. It also is available in Spanish. Copies may be downloaded at www.studentaid.ed.gov/guide, or ordered by calling (800) 4-FED AID or writing to:

Federal Student Aid Information Center
P.O. Box 84
Washington, D.C. 20044-0084



What Kinds of Financial Aid Are Available?

Financial aid comes in three main forms: grants or scholarships, loans, and work

Almost 95% of all student aid comes directly from the federal or state governments or the school itself.

study. Other ways to help you pay include community service benefits, military service benefits, reduced tuition programs, and government tax benefits.

The school you attend or plan to attend will use funds from all available sources (see page 2) to create an aid package for you based on your financial need.

Be Wary of Financial Aid Search Companies

Some financial aid computer search companies offer to match students with sources of financial aid for a fee. People should be cautious in using these services. Chances for success in obtaining more scholarship money

are small. There are no guarantees the company will find any sources of financial aid that you can't find yourself, and there's no guarantee of receiving funds.

Following are some questions to consider if you use a search company:

- If the company suggests that large amounts of aid are not being used, how does it document the statement?
- How many financial aid sources exist in the company's computer file? Does the company maintain its own file of sources? Or does it use the file of some other company or service?
- Is there a minimum number of sources provided by the company? Are the listings in the form of scholarships, work, loans, or contests? Do they include federal and state programs for which the student will be considered through the regular financial aid application process?
- How often does the company update its list of aid sources? Does the company check if the source still exists?
- What characteristics are used to match students with aid sources?
- Can the student apply directly to the aid sources provided by the company, or must he or she be recommended by some other person or group. Are the application fees for the sources provided?
- How long must the student wait for the information? Will the list of aid sources be received before application deadlines?
- How successful have previous participants been in obtaining funds from aid sources identified by the company?
- Will the company refund the program fee if aid sources are incorrectly matched with the student's qualifications, if aid sources no longer exist or fail to reply to the student, or if application deadlines for aid sources already have passed when the information is received?

Even if the company answers all your questions positively, there's no guarantee of receiving funds.

Where to File Complaints:

Federal Trade Commission

Tel: (877) FTC-HELP (877-382-4357)

(866) 653-4261 TTY

Web: www.ftc.gov/scholarshipscams

Minnesota Better Business Bureau

Tel: (651) 699-1111

E-mail: ask@mnd.bbb.org

Web: www.mnd.bbb.org

Minnesota Attorney General's Office

St. Paul, MN 55101

Tel: (651) 296-3353 or (800) 657-3787

(651) 297-7206 or (800) 366-4812 TTY

Web: www.ag.state.mn.us/consumer/

State Attorney General's Office

where the company is located

Web: www.naag.org/ag/full_ag_table.php

If you learned of the program and replied via the postal service, contact:

U.S. Postal Service

Attn: Mail Fraud

Inspection Service Operations Support Group

222 South Riverside Plaza, Suite 1250

Chicago, IL 60606-6100

Web: www.usps.com/ncsc/locators/find-is.html

Grants

Grant funds usually are awarded on the basis of financial need.

Most colleges require that you apply for both a Pell Grant and state aid by completing the *Free Application for Federal Student Aid* (FAFSA) and any other form required by the institution's financial aid office.

Financial aid packages prepared for undergraduates make the maximum use of the Federal Pell Grant Program and the Minnesota State Grant Program.

Federal Pell Grant Program

Federal Pell Grants assist about 5.3 million undergraduate students nationally who are attending full time or part time.

In 2004-2005, these grants range from \$400 to \$4,050. The average grant is approximately \$2,441. The actual award amount will depend on the price of attendance, your family's financial situation (such as income, assets, and family size), whether you are a full-time or part-time student, and other criteria.

Students with family incomes up to \$40,000 may be eligible for a Federal Pell Grant although most awards go to students with family incomes below \$20,000.

Application Process: You apply for the Federal Pell Grant by completing the *Free Application for Federal Student Aid* (FAFSA). You may apply until June 30, 2005 to receive a Pell Grant for the 2004-2005 school year. You may apply for the 2005-2006 school year after January 1, 2005. Students must apply each year to renew their grant.

Eligibility Requirements: You may receive a Pell Grant for your undergraduate study until you complete a baccalaureate or first professional (such as pharmacy or dentistry) degree, and may use it at almost any school. In some cases, you may receive a Pell Grant for attending a post-graduate teacher certification program. Check with the financial aid administrator at your school to determine whether the institution and its programs are eligible for the Federal Pell Grant Program.

Minnesota State Grant Program

The Minnesota State Grant Program assigns specific responsibility for paying the price of attendance to the student, parents, and—if necessary—the federal and state governments. All students are required to pay at least 46 percent of their price of attendance from savings, earnings, loans, or other financial aid from the school or private sources.

The price of attendance is pro-rated based on the student's enrollment status and consists of:

- tuition and fees
- an allowance established by the Minnesota Legislature for room and board, books and supplies, and miscellaneous expenses

For **dependent** (on their parents) students, the remaining 54 percent of the price of attendance is assigned to the parents as determined by the federal need analysis and, if necessary, to the government through a combination of Pell and State Grant awards.

For **independent** (self supporting) students, the remaining 54 percent of the price is met using the student's income and net worth as determined by the federal need analysis, with an adjustment by the state of Minnesota, and with a combination of Pell and State Grant awards.

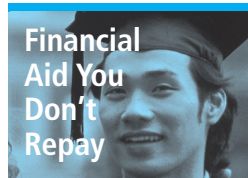
- For independent students *without dependents other than a spouse*, the state of Minnesota expects students to contribute 72 percent of what the federal government expects them to contribute.
- For independent students with *dependents*, the state of Minnesota expects students to contribute 90 percent of what the federal government expects them to contribute.

The maximum combined Pell and State Grant in 2004-2005 ranges from about \$4,802 at a public technical college to \$7,662 at a private four-year college. The average State Grant award is about \$1,860. The minimum award is \$100 per year. On average, a student receives a combined Pell and State Grant award of about \$3,390.

Eligible institutions include state universities, the University of Minnesota, community colleges, public technical colleges, schools of nursing and related health profes-

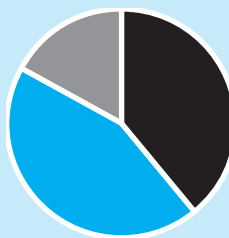
Of all Federal Pell Grants awarded, 90 percent goes to families with incomes below \$40,000.

Financial Aid You Don't Repay



Family Incomes of State Grant Recipients

- 39% incomes below \$20,000
- 44% incomes between \$20,000 and \$50,000
- 17% incomes over \$50,000



sions, private colleges, and private career institutions in Minnesota. State Grants cannot be used at out-of-state schools unless the student is pursuing a degree at an eligible Minnesota school that has a consortium agreement with an out-of-state school.

Application Process: You apply by completing the *Free Application for Federal Student Aid* (FAFSA). The FAFSA must be received within 14 days after the start of the term for your school. You may apply for the 2005-2006 school year after January 1, 2005. Students must apply each year to renew their grant.

You can renew a grant for up to six semesters or nine quarters, or their equivalent. Students may receive State Grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. You are not eligible for a State Grant after obtaining a baccalaureate degree or being enrolled full time for the equivalent of eight semesters or 12 quarters.

Eligibility Requirements: Minnesota residents who enroll for at least three credits as undergraduate students in a program leading to a certificate, degree, or diploma at one of more than 128 eligible schools in Minnesota may apply for a State Grant.

To be considered a Minnesota resident, a student must meet **one** of the criteria listed on page 6.

Grant applicants must be a graduate of a secondary school or its equivalent, or be 17 years of age or older by the end of the academic year.

Students in default of a student loan or more than 30 days behind for child support owed to a public agency are not eligible, unless they are complying with a payment plan.

You need to be registered for 15 credits per term to be considered a full-time student for a State Grant. If you register

for fewer than 15 credits, the price of attendance (tuition and fees plus the living and miscellaneous expense allowance) will be prorated to your actual number of credits.

How It Works

Example 1: A student attending a state public four-year institution in 2004-2005

The annual price of attendance recognized by the state is \$10,447. This includes actual tuition and fees of \$5,242 plus \$5,205 for living and miscellaneous costs. The student is assigned responsibility for 46 percent of the price, or \$4,806. The remaining 54 percent of the price is covered by the student's parents and, if necessary, federal and state grants.

If the student's parents are not expected to help pay for their child's education, the student would be eligible for federal and state grants totaling \$5,641—the 54 percent share not provided by the student. If, for example, the student's parents are expected to contribute \$1,000, the student would be eligible for federal and state grants totaling \$4,641.

Example 2: A student attending a private four-year institution in 2004-2005

The annual price of attendance recognized by the state is \$14,188. This includes tuition and fees of \$8,983 and \$5,205 for living and miscellaneous costs. The student is assigned responsibility for 46 percent of the price, or \$6,526. The remaining 54 percent price is covered by the student's parents and, if necessary, federal and state grants.

If the student's parents are not expected to help pay for their child's education, the student would be eligible for state and federal grants totaling \$7,662. If, for example, the student's parents are expected to contribute \$1,000, the student would be eligible for grants totaling \$6,662.

The student who chooses to attend a private four-year college must, in this example,

**Example 1
State University**

Price of Attendance:

Actual Tuition & Fees	\$5,242
Living & Misc. Allowance	5,205
Total	\$10,447

Source of Funds:

Student's share	\$4,806
Parent share	0
Pell Grant	4,050
State Grant	1,591
Total	\$10,447

**Example 2
Private Four-Year College**

Price of Attendance:

Recognized Tuition & Fees	\$8,983
Living & Misc. Allowance	5,205
Total	\$14,188

Source of Funds:

Student's share	\$6,526
Parent share	0
Pell Grant	4,050
State Grant	3,612
Total	\$14,188

pay actual tuition and fees of \$21,467. But for the State Grant Program, only \$8,983 is recognized in the award calculation for 2004-2005. This means the student will need to provide \$12,484 in tuition and fees that is not recognized by the state.

In both examples, the students may receive additional grant assistance from private or institutional sources that are under the control of the campus financial aid administrator. Receipt of these additional grants does not affect the size of the State or Pell Grant. This additional assistance can be used to help meet the student's required contribution.

Federal Supplemental Educational Opportunity Grant Program

The Federal Supplemental Educational Opportunity Grant Program (SEOG) is awarded to exceptionally needy students, and can add \$100 to \$4,000 in grant money to the financial aid package. The award amount is set by the institution's financial aid office and depends on the availability of funds at your school, and the amount of other aid you are receiving.

Application Process: You must apply through the financial aid office at your school, which will use your FAFSA results to determine the size of your award. Different schools set different deadlines so apply as early as possible.

Eligibility Requirements: Undergraduates or vocational students who are enrolled at least half time are eligible. Priority is given to students already receiving a Pell Grant.

Child Care Grant Program

Students who have children 12 and under (14 and under if handicapped) and demonstrate financial need may receive assistance under the Minnesota Child Care Grant Program to help pay for child care.

Assistance may cover up to 40 hours per eligible child in 2004-2005.

The maximum available to a full-time student is \$2,200 for each eligible child per academic year. In some instances, the maximum award may be increased by 10 percent to compensate for higher market costs for infant care. The amount of the grant award is based on the income of the applicant and spouse, number in the applicant's family, number of eligible children in the applicant's family, and the student's enrollment level.

Eligible Minnesota institutions include all public post-secondary schools and private, baccalaureate degree granting colleges and universities, or nonprofit two-year vocational schools granting associate degrees. Some schools may choose not to participate.

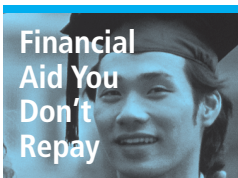
Application Process: You must apply for the Child Care Grant through the financial aid office at your school.

Eligibility Requirements: You are eligible to apply for a Child Care Grant if you:

- Are a resident of Minnesota (see page 6)
- Have a child 12 years of age or younger (14 years of age or younger if handicapped), who is receiving or will receive care on a regular basis from a licensed or legal non-licensed care giver
- Meet the program's income guidelines
- Are not receiving Minnesota Family Investment Program (MFIP) benefits during the same term you receive a Child Care Grant. A student who receives a Child Care Grant award and then receives benefits from the MFIP program during the same quarter must inform the school within 10 days
- Are enrolled at least half-time (six or more credits) in an eligible institution
- Have not earned a baccalaureate degree or have enrolled full-time fewer than eight semesters, 12 quarters, or the equivalent
- Are pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate
- Are in good academic standing and making satisfactory progress toward a degree, diploma, or certificate
- Are not receiving tuition reciprocity
- Are not in default on any educational loan or, if in default, have made satisfactory arrangements to repay the loan with the holder of the note

MFIP recipients who want to pursue a post-secondary education and who have children age 12 and under may receive assistance through the MFIP program to help pay child care expenses.

Other low income families interested in child care assistance should contact the social service office in the county where the student resides to inquire about the Basic Sliding Fee child care program. The amount of assistance to cover day care will depend on the number of children under 12 in the family, and the number of day care hours necessary to cover education and work obligations, and the availability of funding. Other requirements and standards may vary, depending on the county.



Scholarships

Scholarships are awarded based on criteria such as academic or athletic achievement, cultural or religious background, or special skills and talents. Unlike grants, you often need to complete scholarship application forms in addition to the *Free Application for Federal Student Aid* (FAFSA).

Be sure to check with your school's financial aid office to determine if scholarship awards will affect your eligibility for other types of financial aid.

Robert C. Byrd Honors Scholarship Program

The federal Robert C. Byrd Honors Scholarship Program is a renewable scholarship of \$1,500 to high school seniors who are nominated by high school principals. Recipients can attend any accredited post-secondary institution in the United States.

About 120 awards are equitably distributed across the eight Minnesota Congressional districts. Awards can be renewed for three additional years of undergraduate study upon request and continued eligibility, and are not competitive.

Application Process: The Minnesota Department of Education distributes application/nomination information to all Minnesota high schools, charter schools (public and private), GED programs and Area Learning Centers in January. Students should contact their principal or counselor for application forms.

A Minnesota resident high school senior

attending a high school outside Minnesota may self-nominate if he or she has the endorsement of the high school principal. The award amount depends on the level of federal funding.

One nomination is accepted per high school, or two if the graduating class is 350 or greater. The nomination deadline is early March. Students are notified before the end of their high school senior year.

Eligibility Requirements: Nominees must demonstrate outstanding academic achievement. For more information, contact:

Sarah K. Smith
Tel: (651) 582-8629
E-mail: Sarah.K.Smith@state.mn.us

Valarie Cochran
Tel: (651) 582-8250
E-mail: Valarie.Cochran@state.mn.us

Minnesota Department of Education
1500 Highway 36 West
Roseville, MN 55113
Web: education.state.mn.us

Minnesota Academic Excellence Scholarship

Students who demonstrate outstanding ability, achievement, and potential in English/creative writing, fine arts, foreign language, math, science, or social science may be eligible for the Minnesota Academic Excellence Scholarship.

At public institutions, the scholarship covers the price of full-time attendance for

Scholarship Resources

Scholarship Handbook, 2005

This guide helps students identify federal, state, and private scholarships for which they meet eligibility criteria. More than 2,300 programs are surveyed annually. It includes a Windows version of *Real Stuff* on CD-ROM. It can be purchased at bookstores, or directly from the publisher at **www.collegeboard.com**, by calling (800) 323-7155, or by sending a check for \$26.95, plus \$5 for shipping, to:

College Board Publications
P.O. Box 869010
Plano, TX 75074-0998

Scholarships, Grants, & Prizes, 2005

This publication provides details nearly 1.6 million awards worth more than \$6 billion available to students from private

sources. It can be purchased at bookstores, or directly from the publisher at **www.petersons.com**, by calling (800) 338-3282, or by sending a check for \$29.95, plus \$5.25 for shipping, to:

Peterson's
Princeton Pike Corporate Center
2000 Lenox Drive, Box 67005
Lawrenceville NJ 08648

Sports Scholarships and College Athletic Programs, 5th Edition

This guide details sports scholarships and freshman financial aid at 1,500 colleges and universities. It can be purchased at bookstores, or directly from the publisher at **www.petersons.com**, by calling (800) 338-3282, or by sending a check for \$26.95, plus \$5.25 for shipping, to:

Peterson's
Princeton Pike Corporate Center

one academic year; at private institutions, it covers either the actual tuition and fees charged by the institution or the tuition and fees at comparable public institutions, whichever is less.

Application Process: Contact the institutions you are considering to check if the college participates in the program. Implementation of this program depends on availability of funds which come from the sale of special collegiate license plates.

The scholarship can be renewed annually for up to three additional academic years if the student continues to meet the program's academic standards.

Eligibility Requirements: High school graduates must be admitted full time in a nonsecular, baccalaureate degree-granting program at the University of Minnesota, a Minnesota state university, or a Minnesota private, baccalaureate degree-granting college or university. Students must be enrolled the same year they graduated from high school.

Where to Find Private Scholarships

Many community organizations, foundations, corporations, clubs, and civic and cultural groups provide student scholarships. Some only require that you demonstrate financial need—just as you do for state and federal aid. Others award scholarships based on academic or athletic achievement, religious affiliation, ethnic or racial heritage, community service, career plans or field of study, or special hobbies and interests.

If you're looking for private sources of financial aid, you should:

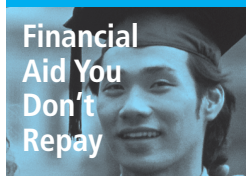
- Inquire at community organizations such as the Chamber of Commerce
- Check with churches, businesses, industries, and veterans posts
- Check with your high school counselor
- Review reference books in your high school guidance office or the library
- Watch for announcements in your local news media
- Search online
- Check with your or your family's employer, professional association, or labor union. They often sponsor grants, scholarships, or loans. Or, if you are employed, check if your employer has an education policy that pays for employees to enroll in job-related post-secondary courses

Warning Signs of a Scholarship Scam

There are no perfect indicators of a fraudulent or deceptive company. However, proceed with caution if you consider working with a company that exhibits one or more of the following warning signs:

- listing of a mail drop as a return address or operates out of a residential address
- excessive hype and claims of high success
- up-front money for application fees
- typing and spelling errors on application materials
- no telephone number for the business
- suggestions of influence with scholarship sponsors
- time pressure to respond quickly
- unusual requests for personal information such as bank account, credit card, or social security numbers

If you have been the victim of a scholarship scam, use the resources at the beginning of this section (see page 8) to file a complaint and report the fraud.



Financial
Aid You
Don't
Repay

Loans

Student loans are useful if you:

- do not qualify for scholarships or grants
- receive some grant money but need additional assistance to meet your expenses
- are a graduate or professional student
- attend a school out of state

Low-interest educational loans are available from several federal and state programs as well as from private lenders, such as a bank, savings and loan association, or credit union. Students at some schools may be able to borrow directly from the U.S. Department of Education. Loan programs are available for both students and parents.

Scholarship Search Sites

CollegeView

www.CollegeView.com

CollegeNet

www.collegenet.com

FastWeb

www.fastweb.com

Scholarship Resource Network Express

www.srnexpress.com

Scholarships.com

www.scholarships.com

Wired Scholar

www.wiredscholar.com

Federal student loans generally fall under two categories:

- **Federal Family Education Loan Program (FFEL)**
 - *Federal Subsidized Stafford Loan*
 - *Federal Unsubsidized Stafford Loan*
 - *Federal Parent Loan for Students*
- **Federal Direct Student Loans**
 - *Federal Direct Subsidized Stafford Loan*
 - *Federal Direct Unsubsidized Stafford Loan*
 - *Federal Direct Parent Loan for Students*

The major difference is that students receive loans directly from the federal government under the Direct Loan Program while under the FFEL program, loans come from a bank, credit union, or other private lender. Both programs offer Stafford and PLUS Loans.

The state of Minnesota also provides a loans to students and parents through the

Student Educational Loan Fund.

How to Evaluate a Loan

Each loan has its own characteristics and features. Compare your options side-by-side by determining:

- the total cost to repay the loan (including the fees, principal, and interest)
- how long it takes to repay the loan
- the amount of the monthly payments
- the penalty you'd pay if you were late on a payment or default
- the impact the loan would have on your total financial aid package (how it may affect your grant, scholarship, and work study awards)

Make sure you choose the loan that best meets your needs, but keep in mind that the cheapest loan is not always your best option. Because loans must be repaid, you should plan your debt financing carefully.

- Ask for information about interest rates and fees, repayment terms and options, and other obligations.
- Consider your future income and don't borrow more than you can afford to pay back. The table on page 19 illustrates how high a salary you will need to repay different levels of student loan debt.

Federal Subsidized Stafford Loan

The *subsidized* Stafford Loan is available only to students who demonstrate financial need, and the interest is paid to the lender by the government while the student attends school at least half time.

More than 500 private lenders make the Federal Stafford Loan available to Minnesota students. If you have difficulty locating a cooperating lender, contact the Great Lakes Higher Education Guaranty Corporation, at (651) 290-8795 or (800) 366-0032.

The chart on page 16 illustrates how much you may be eligible to borrow. Loan amounts are higher for independent (self supporting) students.

The annual borrowing amounts assume enrollment in a program that is at least one academic year long. Your annual borrowing limit will be lower if you enroll for less than a full academic year.

Application Process: Because the school you are attending or plan to attend must determine your Federal Pell Grant eligibility before it can process your loan application, you must complete the *Free Application for Federal Student Aid* (FAFSA) as the first step in determining if you qualify for the subsidized Stafford Loan.

If you qualify, you then need to complete a Stafford Loan application. There are two basic methods of application—paper and electronic. Ask your school which method it prefers.

You may apply any time during the year, but obtaining a loan may take several weeks. If a need analysis has been performed for you at the school, you may receive a loan in two to four weeks. If no need analysis has been done, you could wait several months.

Stafford loans (both subsidized and unsubsidized) made by lenders are guaranteed by one of a number of private, non profit guarantee agencies. All loans must be approved by the guarantor before the lender will make the loan.

In return for this guarantee, you may be required to pay an insurance premium of 1 percent, also known as a **guarantee fee**, which is deducted proportionately from each disbursement of your loan amount. On a typical loan of \$2,625, a 1 percent guarantee fee would equal \$26.25. This fee goes into a fund at the guarantee agency which is used to reimburse lenders in the event of default, death, disability, or bankruptcy of the borrower.

Interest rates for July 1, 2004 to June 30, 2005 are 2.77 percent for in school and 3.37 percent during repayment.

Subsidized and Unsubsidized Stafford Loan Comparison

Subsidized Stafford Loan

- need-based
- federal government pays interest while the student is in school

Unsubsidized Stafford Loan

- not need-based
- student pays interest while in school

You also pay an additional one-time 3 percent fee to the lender. This fee, set by the federal government, is called an **origination fee**. It is deducted proportionately from each disbursement of your loan amount. For example, for a loan of \$2,625, an origination fee of \$78.75 will be deducted. The fee is kept by the lender to offset part of the federal interest subsidy that the government pays the lender for you.

Subtracting the two fees (\$26.25 + \$78.75 = \$105), a Stafford loan request of \$2,625 would therefore be reduced to a net disbursement of \$2,520.

After you sign a **promissory note** (an agreement to repay your loan) from your lender, your loan will be sent to your school either by electronic funds transfer or by a check made payable to both you and your school. Most loans are disbursed in two or more payments, rather than a lump sum. Because of this, you should plan your personal finances accordingly.

Eligibility Requirements: You must attend school at least half time, and be determined to have financial need. The financial aid administrator at the school you attend or plan to attend will assist you.

Repayment of Stafford Loans: Interest rates on Federal Stafford and Direct loans vary each year, depending on changes to the Federal 91-Day Treasury Bill rate. Rates cannot exceed 8.25 percent. FFEL Stafford Loan payments are made to private lenders or loan servicers while payments on Federal Direct Loans are made to the Direct Loan Servicing Center.

Interest rates for repayment of prior loans vary depending on the date of the first disbursement. You will be informed of rate changes throughout the life of your loans.

The federal government pays the interest on (or *subsidizes*) the loan for you until the start of your repayment period. In most cases, you must begin repayment six to nine months after you leave school or drop below half-time status. You have up to 10 years to complete repayment.

The amount of your payment depends on the size of your debt, but in all cases you will pay at least \$50 per month in principal and interest. Under certain conditions you may defer (postpone) payments for up to three years. Ask your financial aid administrator, your lender, or read your promissory note to learn about deferring payment.

Some borrowers may be eligible to repay their loans based on a “graduated” or “income sensitive” repayment. This option considers your financial situation when determining the monthly payment. For more information, ask your lender or servicer.

Federal Unsubsidized Stafford Loan

For students without demonstrated financial need, the *unsubsidized* Stafford Loan is available. The loan limits and interest rate for dependent, undergraduate students are the same as those of the subsidized Stafford Loan. Independent students enrolled in undergraduate, graduate or professional degree programs have slightly higher borrowing maximums.

Borrowers of the unsubsidized Stafford Loan are required to pay interest on the loan while in school. During your **grace period** (the time before beginning repayment) and during periods of **authorized deferment** (postponement) and **forbearance** (authorized delay in loan principal payment), the student may make monthly or quarterly interest payments to the lender or choose to have the interest added to the principal of the loan. This is called **capitalization**.

Application Process: Because the school you are attending or plan to attend must determine your Federal Pell Grant eligibility before it can process your loan application, you must complete to the *Free Application for Federal Student Aid* (FAFSA).

You then need to complete a Stafford Loan application. There are two basic methods of application—paper and electronic. Ask

You may be eligible for the Student Loan Interest Deduction when you file your federal tax return. See page 31.



10-Year Stafford Loan Monthly Repayment

Total Balance	4%	5%	6%	7%
\$4,000	\$50.00	\$50.00	\$50.00	\$50.00
\$8,000	81.00	84.85	88.82	92.89
\$15,000	151.87	159.10	166.53	174.17
\$30,000	303.74	318.20	333.06	348.33
\$50,000	506.23	530.33	555.11	580.55

your school will which method it prefers. You may apply any time during the year, but obtaining a loan may take several weeks.

Like with the *subsidized* Stafford Loan, you may be charged a 1 percent **guarantee fee** and a 3 percent **origination fee** that will be subtracted proportionately from each disbursement of your loan. For more information, contact your financial aid administrator or your lender.

Eligibility Requirements: You must attend school at least half time. The financial aid administrator at the school you attend or plan to attend will assist you.

Federal Parent Loans for Undergraduate Students (PLUS)

Loans to parents of dependent undergraduate students may be available from some private lenders and directly through schools participating in the Direct Loan Program (see below). These loans are called the Federal Parent Loans for Undergraduate Students (PLUS).

Between 400 to 500 lenders (including banks, savings and loan associations, and credit unions) participate in the program in Minnesota. Borrowers unable to find a PLUS lender should contact the Great Lakes Higher Education Guaranty Corporation at (651) 290-8795 or (800) 366-0032.

The PLUS loan has a variable interest rate. Loans made on or after July 1, 2004

have an interest rate of 4.17 percent. The maximum interest rate is 9 percent.

Application Process: Parents must complete a PLUS application which is available from the school's financial aid office. The guarantor may charge a guarantee fee of 1 percent of the loan principal, plus an origination fee of 3 percent.

Eligibility Requirements: PLUS borrowers do not have to show financial need, but will have their credit checked. Parents may borrow up to the annual price of attendance minus any financial aid received for each dependent child enrolled at least half time. There is no cap on annual or aggregate borrowing amounts.

Repayment of PLUS Loans: Repayment of both principal and interest begins within 60 days of receiving the loan and extends from 5 to 10 years. The amount borrowed will determine the minimum monthly payment, but no payment will be less than \$50 a month. Parents with a Direct Plus Loan can choose the Standard, Extended, or Graduated Repayment plan.

Federal Direct Student Loans

The federal government makes Stafford and PLUS loans directly available to students through selected schools across the country. No banks or guarantee agencies are involved. The U.S. Department of Education is the lender. Loan amounts, deferments, monthly repayment amounts, and cancellation benefits for Direct Loans are the same as those for other federal loans.

The combined annual total of PLUS loans and other financial aid cannot exceed the student's price of attendance.

Maximum Federal Loan Amounts

<i>Borrower's Academic Level</i>	Subsidized and Unsubsidized Stafford		PLUS
	<i>Dependent Annual</i>	<i>Independent Annual</i>	<i>Dependent</i>
First Year Undergraduate	\$2,625	\$6,625	There is no annual or aggregate limit.
Second Year Undergraduate	\$3,500	\$7,500	A parent may borrow an amount equal to the cost of education minus any financial aid received.
Third Year and Beyond	\$5,500	\$10,500	
Graduate/Professional Student	\$8,500* aggregate	\$18,500* aggregate	*only \$8,500 may be subsidized.
Undergraduate	\$23,000	\$46,000	
Graduate	\$138,500** combined	\$138,500** combined	**only \$65,500 may be in subsidized loans.

Application Process: Applications are available at participating schools. You or your parents may pay an origination fee of 4 percent of the loan deducted proportionately from each loan disbursement. Once a Direct Loan is made, it is managed and collected by the U.S. Department of Education's Direct Loan Servicing Center. For more information, visit www.dlservicer.ed.gov or call (800) 848-0979.

Eligibility Requirements: Eligibility is the same as for Stafford and PLUS loans made available through a private lender.

Repayment of Direct Loans: The Direct Loan Program offers four repayment plans:

- *Standard Repayment Plan:* a fixed amount is paid each month, at least \$50, for up to 10 years.
- *Income Contingent Repayment Plan:* bases monthly payment on annual income, family size, and the loan amount.
- *Extended Repayment Plan:* extends repayment over a period of 12 to 30 years, depending on your loan amount.
- *Graduated Repayment Plan:* payments are lower at beginning of the repayment period, then increase every two years over 12 to 30 years.

Federal Perkins Loan Program

The Federal Perkins Loan Program provides long-term, low interest (5 percent) loans to undergraduate and graduate students who demonstrate financial need and enroll in participating schools.

Undergraduate students may borrow \$4,000 per year and \$20,000 in total. Graduate and professional students may borrow \$6,000 per year and \$40,000 in total, including any Perkins Loans borrowed as an undergraduate. Students attending institutions with low default rates (7.5 percent) may be able to borrow larger amounts.

Loan amounts depend on the availability of funds at your school, your financial need, and the amount of other aid you receive.

Application Process: You apply to the financial aid office at the school you attend. Each school has its own application deadline, and serves as the loan's lender. The Perkins Loans do not have an origination fee.

Eligibility Requirements: You must be an undergraduate or graduate student enrolled at least half time at a participating school. Some schools may make loans available to part-time students and, in some cases, to less-than-half time students. For undergraduate students, priority is given to Federal Pell Grant recipients.

Repayment of Perkins Loans: You begin repaying the loan nine months after you graduate or leave school if you are borrowing for the first time or have repaid previous loans. If you are not a new borrower, you have six months before you start repaying the loan. You may be allowed up to 10 years to repay your loan.

The amount of the payment depends on the size of your debt and the length of your repayment period. Part or all of your loan can be deferred or canceled under certain conditions, such as if you teach handicapped children or full time in a designated elementary or secondary school that serves low income students. You must seek approval for these provisions from your school.

Student Educational Loan Fund

The Student Educational Loan Fund (SELF) is a Minnesota program intended to help students and parents who need assistance in paying for education beyond high school. The loan can be used only for educational purposes. The minimum loan size is \$500.

As of July 2004, 335 institutions participate in the program, including 150 Minnesota institutions and 185 out-of-state schools. To find out if the institution you attend or plan to attend participates, visit www.selfloan.org, or contact the financial aid administrator at the school or the Minnesota Higher Education Services Office.

The interest rate varies throughout the life of the loan and can change every three months. In July 2004, the SELF III interest rate was 4.6 percent.

Application Process: Prior to applying, students are expected to seek certain other sources of federal, state, institutional, or private aid for which they might be eligible by completing the FAFSA.

The campus financial aid administrator will determine the maximum amount a student may borrow and recommend a loan amount. The maximum cannot exceed the price of attendance minus all other financial aid that the borrower is receiving.

Currently, there is no guarantee fee for borrowers whose loan periods began on or after July 1, 1989. The Services Office, however, reserves the right to charge a guarantee fee on future loans in order to cover claims for nonpayment of interest and principal amounts by borrowers and co-signers.

Eligibility Requirements: To be eligible, a student must:

- be enrolled at least half time in a certificate, associate, baccalaureate, or graduate degree program
- have a credit worthy co-signer



- not be delinquent or in default on a SELF or other outstanding student loan
- attend an eligible school in Minnesota
- be a Minnesota resident (see page 6) enrolled in a participating school in another state or a Canadian province

Repayment of SELF Loans: Borrowers are required to pay interest quarterly while in school. Upon graduating or leaving school, they are required to pay interest monthly for up to one year; they then will begin repaying loan principal as well as interest monthly. Repayment is usually 7 to 9 years. SELF has two repayment plans:

- *Standard Repayment Plan:* one year of interest only and up to nine years of principal and interest payments
- *Extended Interest Plan:* interest only for three years followed by up to seven years of principal and interest payments

Comparison of Federal Unsubsidized Stafford Loan and SELF Loan

Both the unsubsidized Stafford Loan and SELF Loan programs have advantages and disadvantages. The student and family should learn the facts about each program, and decide which program best meets their needs. The school's financial aid office or local private lenders can help you learn the differences.

Health Professions Loan Programs

Various federal scholarship and loan programs are available for students interested in health professions, such as nursing, dentistry, or medicine. Campus-based programs include the Health Professions Student Loan Program, the Primary Care Loan Program, Loans for Disadvantaged Students Program, and Nursing Student Loan Program.

Additional health loan repayment programs may be available from the U.S. Department of Health and Human Services, such as the Faculty Loan Repayment and the Nursing Education Loan Repayment programs. Visit bhpr.hrsa.gov/dsa/ to learn more.

Application Process: Students should contact the financial aid office at the school where they are enrolled or intend to apply for admission. For more information or to receive a fact sheet on the different types of assistance, contact:

Dept. of Health and Human Services
Division of Health Careers,
Diversity and Development
Parklawn Building, Room 8-34
5600 Fishers Lane
Rockville, MD 20857
Tel: (301) 443-4776
Web: bhpr.hrsa.gov/dsa/

State Health Professions Loan Forgiveness

The Minnesota Department of Health's Office of Rural Health and Primary Care administers six loan forgiveness, or repayment, programs for health professionals. The programs are available to:

- physicians, dentists, or midlevel practitioners who agree to serve in federally designated Health Professional Shortage Areas
- medical residents who agree to serve in designated rural areas or underserved urban areas
- midlevel practitioner students who agree to serve in designated rural areas
- dentists who agree to treat public program participants
- nursing students (RN or LPN) who agree to serve in a licensed nursing home or an intermediate care facility for persons with mental retardation or related conditions

Midlevel practitioner means a nurse practitioner, certified nurse midwife, nurse anesthetist, advanced clinical nurse specialist, or a physician assistant. All service obligations must be filled by working in Minnesota.

Application Process: Applications are available after July 1, 2004 and due December 1, 2004, and can be requested from:

Minnesota Department of Health
Office of Rural Health and Primary Care
Tel: (651) 282-3838 or (800) 366-5424
Web: www.health.state.mn.us/divs/chs/loan.htm

Alternative Loans

Alternative loans also are available from private lenders, such as a banks, savings and loan associations, or credit unions. Typically, these loans cost the student and family more in the long run, but they may have fewer eligibility restrictions. For more information, contact commercial financial institutions or the financial aid administrator at the school you attend or plan to attend.

Repayment of Student Loans

Before using loans to pay for your college education, be reasonably sure that you can repay the loan(s) after graduation. The smaller the loan debt you assume, the lower the salary you'll need to repay the debt. Conversely, the greater your student loan debt, the higher a salary you'll need.

The general rule of thumb is that annual student loan payments should be less than 8 percent of your annual income. If your average annual student loan payment is more than this, your available cash for everyday living expenses will be limited. Opportunities for other credit, like car and home loans, also may be restricted.

The job placement office at your school can give you some idea about the average starting salaries for certain professions. Given your choice of profession, you should be able to determine how much you can reasonably borrow to finance your education by focusing on that profession's typical starting salary.

The chart below illustrates how high a salary you'd need to repay different levels of student loan debt. The chart assumes a fixed 5 percent interest rate, and a minimum of 120 monthly (or 10 years) payments.

For more information, check with your lender or a financial aid administrator.

Loan Consolidation

If you have outstanding balances on several different federal loans, you may be able to combine them into one new consolidated loan with one monthly repayment. This reduces the size of your monthly payments

by extending your repayment period for 10 to 30 years, depending on your total debt.

Both the Federal Direct Loan Program and the Federal Family Education Loan Program (FFEL) offer consolidation loans. Most federal student loans or PLUS loans can be consolidated under a Direct Federal Consolidation Loan. The interest rate is variable, and is based on the weighted average of the consolidated loans not to exceed 8.25 percent.

Loans from the SELF Program cannot be consolidated, but the outstanding balance on SELF loans may be used to determine length of the repayment term for consolidation loans. Private, alternative, and institutional loans also cannot be included in a Federal Consolidation Loan.

You can get a Direct Consolidation Loan while still enrolled in school, during the grace period, or once you have entered repayment. Information will be provided during entrance and exit counseling at your school. For an application or to learn more, visit loanconsolidation.ed.gov or contact the Loan Origination Center's Consolidation Department at (800) 557-7392.

Other loan consolidation programs are available from participating private or state lenders (such as banks, credit unions, and savings and loan associations), guarantee agencies, the Student Loan Marketing Association, and other secondary markets. Some consolidation plans allow you to base your repayments on your income. The interest rate on your new consolidated loan will be the weighted average of interest rates on loans you choose to consolidate, and will be fixed for the life of the loan.

Advantages of Consolidation

Consolidation loans allow borrowers to lock in low interest rates and extend their repayment period beyond that provided by the original loan. This results in lower monthly payments for the duration of the new consolidated loan. Plus, most deferment and forbearance options are not affected by loan consolidation.

Disadvantages of Consolidation

Consolidation loans do not have a grace period, and payments begin shortly after the consolidation is finalized. You also will make more payments and pay more interest. This means the total cost of repaying the loan will be higher after consolidation even though your payment per month may decrease. Other borrower benefits resulting from the original loan also may be lost.

Your student loans can be consolidated only once.



Loan Repayment Chart at 5% Interest

Amount Borrowed	Monthly Payment (120 months)	Estimated Income Level
\$ 5,250	\$ 55.68	\$ 8,352
9,250	98.11	14,717
13,250	140.54	21,081
17,250	182.97	27,446
24,750	262.52	39,378
32,250	342.06	51,309
39,750	421.62	63,243
47,250	501.16	75,174
54,750	580.71	87,107

Defaulting on Your Loan

If you fail to repay your loan, you will be in **default**. Your lender and the state and federal governments can take action to recover the money:

- Your tax refunds may be withheld
- Part of your salary may be withheld if you work for the federal government
- You may be sued and taken to court
- Credit bureaus will be informed, and your future credit rating may be affected, which may make it difficult to borrow money for a car or a house
- You may be required to repay your debt under an income contingent repayment plan and thus repay more than the original principal and interest on your loans
- You will not be able to obtain additional state or federal student aid until you make satisfactory arrangements to repay

Work Study Programs

You may earn money to help pay for your education by working at part-time jobs on- or off-campus under either the Federal Work-Study Program or the Minnesota Work Study Program. Most schools offer a work study job as part of the student's financial aid package.

The work study award is set by the financial aid office at the school you attend or plan to attend. In most cases, the actual amount depends on your financial need and the amount of money your school has available for the program. However, some state work study funds are available to students regardless of financial need. All Minnesota public post-secondary institutions and most private colleges participate.

Participating students work an average of 15 hours per week and may earn \$3,000 or more per year. Minimum wage laws are followed. The maximum hourly wage rate depends on the job and the student's qualifications. Your financial aid administrator will consider your work study award amount, class schedule, job skills, and academic program to determine how many hours you can work.

Students work either on-campus or the school may have arrangements for off-campus employment with governmental or non-profit agencies, or a private, for profit employer. Work study programs encourage community service work and job placement in elementary-secondary schools in activities such as tutoring. The school tries to place

students in positions related to their course of study.

Application Process: The financial aid office at the school you attend or plan to attend will use the results from your FAFSA to determine your eligibility for work study.

Eligibility Requirements: Undergraduate and graduate students are eligible under both federal and state work study programs.

To be eligible for **Federal Work-Study**, the student must:

- be a U.S. citizen or eligible non-citizen (see page 7)
- be enrolled a least half time in a program leading to a degree, certificate, or diploma
- be either registered with the Selective Service (for all males born on or after January 1, 1960, who are at least 18 and not currently on active duty in the Armed Forces), or sign a statement of registration status indicating that he is not required to register
- not have defaulted on a student loan
- not have a recent conviction for possession or sale of illegal drugs

A school may use some of its federal funds for less than half-time students. To find out if your school does this, contact the financial aid administrator.

To be eligible for **Minnesota Work Study**, the student must:

- be a Minnesota resident (see page 6) and U.S. citizen or eligible non-citizen (see page 7)
- be enrolled for at least six credit hours per term in a program leading to a degree, certificate, or diploma

Under the state program, students must be enrolled for at least six credits, but priority is given to students enrolled for 12 or more credits or the equivalent.

Eligibility criteria for the state program are in some cases less restrictive than those for the federal program. Your financial aid administrator can explain them to you.

Community Service Benefits

Students interested in community service can join AmeriCorps to earn an education award. Students who have existing community service hours may be eligible for the Presidential Freedom Scholarship.

AmeriCorps

AmeriCorps is a cooperative effort by local agencies and federal and state governments to provide community service throughout the

Work study is not considered income on the FAFSA.

country. Areas of service include such projects as preschool education, dropout prevention, literacy, low-income housing, assisted living for the elderly and people with disabilities, violence prevention, conservation, and neighborhood recycling.

Hundreds of community service opportunities are available which provide income and a post-service education benefit to help finance part of the participant's education at any Federal Title IV institution. AmeriCorps graduates have seven years to use their education award, and can apply it to any non-defaulted federal student loan.

Application Process: For more information in AmeriCorps, visit www.americorps.org. For information on Minnesota opportunities, visit www.serveinminnesota.org or call Serve Minnesota! at (612) 333-7740.

Eligibility Requirements: To be eligible for AmeriCorps positions, you must be 17 years of age or older, have a high school diploma or a GED (or are completing a GED), and be a U.S. citizen, U.S. national, or an eligible non-citizen (see page 7).

Participants may enroll in post-secondary education while holding a position, and may apply to projects in the state or nationally. However, you can serve no more than two AmeriCorps terms.

Presidential Freedom Scholarship

The Presidential Freedom Scholarship recognizes high school students for outstanding community service. The principal of each school can nominate up to two students.

Each scholarship is at least \$1,000, which includes at least \$500 from local business, community, or civic organizations and a \$500 match from the Corporation for National Service.

Application Process: Students are nominated by their high school principal in spring of each year. For more information, visit www.nationalservice.org/scholarships/, or contact your high school principal or the Services Office.

Eligibility Requirements: You must be a high school junior or senior, in public and private schools, who has performed at least 100 hours of community service in the year prior to applying.

Military Service Benefits

Each branch of the U.S. military has education programs to help students pay for college. Active duty also makes you eligible for educational benefits under the federal Montgomery G.I. Bill. You may be eligible for additional benefits from the federal and state governments.

Those called to active duty while enrolled at a Title IV post-secondary institution receive certain protections in regard to financial aid eligibility, enrollment status, and loan repayment. In most instances, the student will not be penalized as a result of his or her absence to perform military service. Check with the school's financial aid office for more details.

Veterans Education Assistance Program

The Veterans Education Assistance Program (VEAP) helps men and women who served in the military between January 1, 1977 through June 30, 1985 to pursue an approved course of education or training. The Veterans Department matches every dollar contributed by the veteran to a special training fund with \$2 in federal funds.

Participants receive monthly payments for the number of months they contributed, or 36 months, whichever is less. The amount is determined by dividing the number of months that contributions were made into the participant's training fund total.

Application Process: Application forms and other information are available from state Veterans Affairs regional offices. Veterans also should contact their school's veterans affairs office, and should inquire about other educational benefits such as VA educational loans, tutorial assistance, work study allowance, and the vocational rehabilitation program. For more information, call a Veterans Affairs counselor at (888) 442-4551.



AmeriCorps Service Commitment Chart			
<i>Length of Commitment</i>	<i>Hours of Service</i>	<i>Living Allowance and Benefits</i>	<i>Post-service Education Award</i>
Full time, 9 months to 1 year	1,700	about \$10,000, plus health care coverage, child care (if eligible)	\$4,725
Part time	300 to 900	about \$5,000	\$2,362 (pro-rated based on number of hours)

Eligibility Requirements: You are eligible for this program if you entered the military from January 1, 1977 through June 30, 1985, and contributed between \$25 and \$100 of your monthly pay (maximum \$2,700) to a special training fund

Montgomery G.I. Bill

The Montgomery G.I. Bill (active duty) provides educational benefits for individuals who entered active duty for the first time after June 30, 1985. Active duty includes full-time National Guard duty performed after November 29, 1989. Benefits are not guaranteed nor automatic, and are disbursed at the discretion of the Veterans Affairs Office.

The program is voluntary. However, all service members are assumed to be enrolled unless they elect not to participate upon entry into the service. Participating active duty members will have their pay reduced by \$100 per month for their initial 12 months of service. This reduction in pay is nonrefundable.

Application Process: Veterans should contact their state Veterans Affairs regional office or the veterans affairs office at the school they are attending or plan to attend.

Eligibility Requirements: You are eligible for benefits if you:

- served on active duty for three years, or two years of active duty plus four years in the Selected Reserve or National Guard. You are eligible to receive \$900 a month in basic benefits for 36 months effective October 1, 2002, and \$985 effective October 1, 2003. Those who enlist for less

than three years may receive \$800 a month, effective October 1, 2003

- are Selected Reserve personnel who obligate themselves for six years on or after July 1, 1985 are eligible for the Montgomery G.I. Bill Chapter 1606 program. Eligible service members may collect up to \$282 per month for a maximum of 36 months of assistance

Entitlement under the Vietnam Era G.I. Bill: You are eligible for Montgomery G.I. Bill benefits if you had remaining entitlement under the Vietnam Era G.I. Bill on December 31, 1989; served on active duty without break from October 19, 1984; served to June 30, 1988, or June 30, 1987—followed by four years in the Selected Reserve after release from active duty; and entered the Selected Reserve within one year of release from active duty.

Federal Tuition Assistance

The Federal Tuition Assistance program provides financial aid for Army National Guard members. The program pays up to \$200 per semester hour, up to \$4,000 per fiscal year (October 1 – September 30). The combination of the State Tuition and Textbook Reimbursement Grant Program and Tuition Assistance cannot exceed more than 100 percent of the tuition cost (not including fees). Money is paid directly to the school.

Application Process: Soldiers complete their applications on www.VirtualArmory.com. Soldiers need to bring a signed copy of the DD 2171-e (printed when completing the application online) to their unit with a copy of their course registration and tuition and fees statement. Applications must be received prior to the start of the course. Federal funding is limited and this benefit is approved on a first come, first pay basis.

Eligibility Requirements: Soldiers must be members of the National Guard prior to start of course. Soldiers must not be receiving Montgomery G.I. Bill Kicker benefits. Soldiers with Montgomery G.I. Bill basic benefits may be eligible for the program, pending funding from National Guard Bureau.

Minnesota Tuition and Textbook Reimbursement Grant

The Minnesota State Tuition and Textbook Reimbursement Grant program provides financial aid for Air and Army National Guard members. The 2004-2005 tuition and textbook reimbursement program reimburses members for coursework satisfactorily completed at any school, in-state or out-state, approved for veterans benefits. The

Military Benefits Resources

ROTC Military Scholarships

www.todaysmilitary.com/wyg/t5_wyg_rotc.php

U.S. Department of Veterans Affairs

www.gibill.va.gov

Federal Benefits for Veterans and Dependents, 2004 Edition

This U.S. Department of Veterans Affairs book contains information on veterans' programs, including educational benefits. Copies in English and Spanish may be downloaded for free at www.va.gov/opa/feature/, or purchased for \$6.50 by sending a check or money order payable to:

Superintendent of Documents
P.O. Box 371954
Pittsburgh, PA 15250-7954

rate of reimbursement is up to 80 percent tuition only, not to exceed 80 percent of the per undergraduate credit rate at the University of Minnesota, Twin Cities. Money is paid directly to the soldier.

Application Process: You request obligation through your units at the start of the semester. Upon completing the course, you turn in your grades, and submit a tuition and fee statement from the school to your unit.

For additional information on educational benefits in the Minnesota National Guard, contact the Education Services Office:

Tina Kojetin
Department of Military Affairs
JFMN-J1R-D (Education)
Veterans Service Building
20 West 12th Street
St. Paul, MN 55155-2098
E-mail: education@mn.ngb.army.mil
Web: www.dma.state.mn.us

Eligibility Requirements: You must be an active member of the Minnesota Army or Air National Guard pursuing undergraduate or graduate coursework at any school approved for veterans benefits. This grant may be used in conjunction with either Federal Tuition Assistance or the Montgomery G.I. Bill.

Minnesota Educational Assistance for War Veterans

The state of Minnesota provides educational assistance for war veterans who attend an approved educational institution in Minnesota. Veterans may qualify for a one-time stipend of \$750.

Application Process: Contact the financial aid office at the school you attend or plan to attend, your county Veterans Service Officer at the County Courthouse, or:

Lillian Dambow
Minnesota Department of
Veterans Affairs
Veterans Service Building, 2nd Floor
20 West 12th Street
St. Paul, MN 55155
Tel: (651) 296-1033
Web: mdva.state.mn.us

Eligibility Requirements: To be eligible for this program, you must provide a statement from the U.S. Department of Veterans Affairs indicating you have used all benefits available under federal veterans programs; have been a resident of Minnesota at the time of your induction into the armed forces and for six months immediately preceding

the induction; and have some time remaining on your eligibility period for federal veterans benefits.

Minnesota Veterans' Dependents Assistance Program

The Minnesota Veterans' Dependents Assistance Program provides tuition assistance for higher education at most Minnesota institutions to dependents of persons considered by the Department of Defense to be prisoners of war or persons missing in action after August 1, 1958. Students should apply to the financial aid office at the school they attend.

Financial Aid for Specific Populations

Additional aid may be available to you based on criteria in addition to your level of financial need, including aid for (but not limited to) orphaned or fostered, minority, or adult students. The programs described here are only a few of those available. Be sure to check the web sites listed on page 24.

Orphaned or Fostered Children

Orphans and those who were in foster care until age 18 may be eligible for an increased level of financial aid assistance.

To qualify, students should answer "yes" to question 57 on the *Free Application for Federal Student Aid* (FAFSA).

Orphans or wards of court also are automatically considered independent students and are not required to submit financial information about their family. You may qualify for a larger Federal Pell Grant and Minnesota State Grant because of this.

If you are attending or plan to attend a Minnesota state college or university, you may be eligible for a tuition waiver for certain courses or programs. Check with the school for more details.

Minnesota Educational Assistance for War Orphans

Qualified war orphans may receive up to \$750 a year from the Department of Veterans Affairs to be used for tuition, room and board, and books and supplies.

Children of deceased veterans also may qualify for free tuition at Minnesota's technical and community colleges and state universities until they receive a bachelor's degree. This does not apply to private institutions or the University of Minnesota.



Financial
Aid for
Specific
Populations

Application Process: Contact the financial aid office at the school you attend or plan to attend, your county Veterans Service Officer at the County Courthouse, or:

Minnesota Department of
Veterans Affairs
Veterans Service Building, 2nd Floor
20 West 12th Street
St. Paul, MN 55155
Tel: (651) 296-2562
Web: mdva.state.mn.us

Eligibility Requirements: To be eligible for this program, you must have lost your veteran parent through death because of a service caused condition and have been a resident of Minnesota for two years prior to your application for educational benefits

Education Vouchers for Former Youth in Care

Education vouchers are federal funds made available to states through the Chafee Foster Care Independence Act. Education vouchers are intended to help students ages 18 to 23 pay for post-secondary education.

The award amount is based on the amount of other aid the student is receiving, and an estimated living expenses budget which is a part of the application. The maximum amount per year is \$5,000 per student.

In addition to tuition, books, and fees, education vouchers may be used for room and board, child care, transportation, computers, and other expenses the student may need to cover to make a post-secondary education possible.

Application Process: Applications are available at www.dhs.state.mn.us under *Children*. Click on *Adolescent Services* and then *Education / Training Vouchers*.

Application deadlines are twice a year.

To apply for an education voucher award, you must attach a copy of your FAFSA, apply for other sources of financial aid, and

submit two letters of recommendation. Students may reapply for education vouchers every year. Transcripts are required as evidence of progress in a post secondary education program. Additional questions can be directed to:

Claire Hill
Minnesota Department of
Human Services
444 Lafayette Road North,
3rd Floor South
St. Paul, MN 55155
Tel: (651) 296-4471
E-mail: claire.d.hill@state.mn.us
Web: www.dhs.state.mn.us

Eligibility Requirements: In order to receive an education voucher, you must meet the following requirements:

- Experience a county approved out of home placement after the age of 14 (this includes relative and kinship placements), or be adopted after age 16
- Have a high school diploma or a GED
- Begin a post secondary program before age 21
- Attend an accredited public or nonprofit school that has been in existence for at least two years

Native American Students

Native American students in Minnesota may be eligible for additional financial aid from the state of Minnesota, the U.S. Bureau of Indian Affairs, and their tribe.

Minnesota Indian Scholarship Program

Scholarships are available to eligible Indian students who are undergraduates enrolled full-time and graduate students, enrolled either full or part-time. The award amount is based on need up to \$3,300 per year.

Scholarship Resources

Aid for Native American Students
www.finaid.org/otheraid/natamind.phtml

American Indian College Fund
www.collegefund.org

Hispanic College Fund
www.hispanicfund.org

Marine Corps Scholarship Foundation
www.marine-scholars.org

Minority Scholarship List
www.miami.edu/UMH/CDA/UMH_Main/1,1770,6802-1;8577-3,00.html

NCAA Scholarships and Internships
www.ncaa.org/about/scholarships.html

Union-Sponsored Scholarships and Aid
www.aflcio.org/familyfunresources/collegecosts/scholar.cfm

United Negro College Fund
www.uncf.org/scholarship/

Also see page 13 for popular online scholarship searches.

Application Process: Interested students should complete the FAFSA and contact their tribal education office or the financial aid administrator at their campus. The priority deadline is July 1. Information and application forms also are available from:

Lea Perkins
Minnesota Department of Education
1500 Highway 36 West
Roseville, MN 55113
Tel: (651) 582-8846 or (800) 657-3927
E-mail: cfl.indianeducation@state.mn.us
Web: education.state.mn.us

Eligibility Requirements: In order to qualify for this scholarship, you must be:

- one-fourth or more Indian ancestry
- a resident of Minnesota and a member of a federally recognized Indian tribe
- a high school graduate (or have a GED)
- able to benefit from advanced education
- accepted by an approved college, university, or vocational school in Minnesota

American Indian Tuition Waiver

The American Indian Tuition Waiver at the University of Minnesota, Morris (UMM) recognizes the campus' origins as the Morris Indian School founded in the 1800s. American Indian students admitted to UMM receive a full tuition waiver by supplying documentation of American Indian heritage.

Students of Farm Families

Minnesota community and technical colleges, the University of Minnesota, and some private colleges may provide additional financial aid for students from farm families or for students wanting to pursue agriculture-related careers. Gustavus Adolphus College, for example, provides up to \$3,000 in need-based financial aid to students from farm families in rural areas. Be sure to check with the financial aid office at the school you attend or want to attend.

University of Minnesota Agriculture, Food, and Environmental Sciences

The University of Minnesota's College of Agricultural, Food, and Environmental Sciences (COAFES) awards over \$700,000 in need- and merit-based undergraduate scholarships each year. Awards range from \$1,000 to \$5,000 per year, and many are renewable for multiple years.

The College offers 11 majors that focus on food, agriculture, and the environment, and span the business, communication, education, and science disciplines.

Application Process: Prospective students considering enrolling in the College are strongly encouraged to apply. More information is available from:

Jessica Krueger
College of Agricultural, Food, and
Environmental Sciences
University of Minnesota
190 Coffey Hall
1420 Eckles Avenue
St. Paul, MN 55108
Tel: (612) 625-9254 or (800) 866-2474
E-mail: krueg051@umn.edu
Web: www.coafes.umn.edu

Eligibility Requirements: To be eligible, you must be a freshman, continuing, or transfer student admitted and planning to enroll in one of the College's degree programs.

Dependents and Spouses of Public Safety Officers

Dependent children and the surviving spouse of a public safety officer killed in the line of duty are eligible to receive educational benefits through the **Public Safety Officers' Survivor Grant Program**. Awards are based on the tuition and fees charged by the institution or the tuition and fee maximums established in law for the State Grant Program, whichever is less. Awards are renewable for a maximum of 8 semesters or 12 quarters or their equivalent.

Application Process: Applicants need to take a certificate of eligibility to the financial aid office of the school they attend or plan to attend. This certificate can be obtained from:

Dana Gotz
Minnesota Department of Public Safety
445 Minnesota Street,
Suite 100 NCL Tower
St. Paul, MN 55101
Tel: (651) 296-6642
E-mail: dana.gotz@state.mn.us

Eligibility Requirements: To qualify for this award, you must be:

- a dependent less than 23 years old or a spouse of a public safety officer killed in the line of duty on or after January 1, 1973
- enrolled in an undergraduate or certificate program at one of the more than 128 public or private post-secondary institutions in Minnesota that participate in the State Grant Program

A farm is not considered an asset on the FAFSA if it is the parents' principal place of residency and they participate in its operation.



Financial
Aid for
Specific
Populations

Those who have received a baccalaureate degree or been enrolled full time for the equivalent of 10 semesters or 15 quarters, whichever occurs first, are no longer eligible.

Adult Students

If you have been away from school for awhile, your needs probably differ from those of 18 year-old college freshmen. You may need to consider career changes, family priorities, and full or part-time employment responsibilities.

Although you may feel alone, you're not. About a third of the independent students applying for Minnesota State Grants are over 30 years old.

Review pages 8 to 23 to learn more about the major federal and state financial aid programs available. The school you are attending or plan to

attend also may have additional aid programs geared toward adult students. Check with the financial aid office (see page 43).

Regardless of the aid program, it helps to apply early. If a program has limited funding, this money may be depleted early in the year.

Don't be discouraged if you decide to go to school later in the year and have not yet applied for aid. Some programs are available any time of the year. It is best to contact the financial aid office of the school that you are planning to attend. In addition to providing information about financial aid programs, the financial aid personnel may have other suggestions about how you can reduce your expenses while attending school.

Alliss Opportunity Grant Program

Adults may be eligible to take a college credit course for free at one of Minnesota's community colleges through the Alliss Opportunity Grant Program. The grant covers one course (up to five credits). The cost of books is included in the award, but other restrictions and fees may apply.

Application Process: Contact the community college admissions office for more information and an application. You cannot apply for a grant after you have registered.

Eligibility Requirements: To be eligible for this grant, you must have been out of high school for seven or more years, and not have a bachelor's degree.

Employer-Paid Tuition Assistance

Employers may provide up to \$5,250 per year in educational assistance to each employee on a tax free basis for undergraduate or graduate courses, regardless of whether the education is job related.

This means you can exclude from your taxable income up to \$5,250 of tuition assistance you received from your employer. Your employer can tell you if the program is a qualified program, and will automatically treat the educational assistance as a tax-free benefit and not include it as wages on your W-2 form.

Limitation & Restrictions: Neither the Hope Tax Credit nor the Lifetime Learning Credit (see page 30) may be claimed for a student in the same tax year that the employer pays all the student's qualified tuition and related expenses.

Qualified Education Expenses: Educational assistance benefits include payments by the employer for tuition, fees, and similar expenses, books, supplies, and equipment. It does not include payments for meals, lodging, transportation, or tools or supplies (other than textbooks) that you can keep after completing the course of instruction.

Employer Scholarship Programs

Some employers also may provide scholarships for undergraduate or graduate study to their employees and the employee's spouse or children. Your employer can tell you if it has such a program available.

Assistance for Dislocated Workers

Dislocated Worker Programs serve individuals dislocated from long-held jobs. The goal is to help workers obtain new employment quickly. These programs focus on upgrading current job skills, retraining workers whose skills are not marketable, and providing support services. Individuals should inquire about Dislocated Worker Programs at local WorkForce Centers. Visit www.mnwfc.org/field/ to find the WorkForce Center nearest you.

Be sure to explore education tax credits and deductions on page 30 to help pay for your education.

There is no age limit for federal and state financial aid, but many aid programs are limited to undergraduate students.

Reciprocity & Reduced Tuition Programs

Reciprocity is the agreement that Minnesota has with neighboring states to provide lower tuition for attending public colleges and universities in those states. Typically, non-resident admission tuition and fees are reduced (or eliminated) for reciprocity students.

Students from Kansas, Michigan, Minnesota, Missouri, Nebraska, and North Dakota also may be eligible for tuition reduction using the **Midwest Student Exchange Program**.

Tuition Reciprocity

Tuition reciprocity enhances opportunities for students to attend public post-secondary education institutions in neighboring states. Reciprocity students do not have to meet higher non-resident admission standards, and do not pay non-resident tuition prices.

Minnesota has tuition reciprocity agreements with Wisconsin, North Dakota, South Dakota, Manitoba, and Iowa Lakes Community College (campuses at Algona, Estherville, Emmetsburg, Spencer, and Spirit Lake) and Minnesota West Community and Technical College (campuses at Canby, Granite Falls, Jackson, Pipestone, and Worthington).

All public post-secondary education institutions in Minnesota, Wisconsin, North Dakota, South Dakota, and Manitoba are covered by statewide tuition reciprocity.

Some students must apply for tuition reciprocity benefits, and should do so as soon as they know they will be attending an eligible institution. Applying early ensures students will be charged the reciprocity tuition rate when they register for classes. Applications received after the last day of a term will only apply to subsequent terms. There is no fee to apply for reciprocity.

Minnesota/Wisconsin Tuition Reciprocity

All public post-secondary education institutions in Minnesota and Wisconsin are included in the statewide tuition reciprocity agreement. All undergraduate and graduate programs of study are available to reciprocity students, except professional programs of Medicine, Veterinary Medicine, and Dentistry at the University of Minnesota-Twin Cities or Duluth and the University of Wisconsin-Madison or Milwaukee.

Reciprocity Tuition Rate: Minnesota resident undergraduate students enrolled in a Wisconsin public post-secondary institution generally pay tuition at the rate charged by a comparable Minnesota institution. For example, an undergraduate student from

Minnesota enrolled at the University of Wisconsin-Madison pays approximately the tuition rate he or she would pay at the University of Minnesota-Twin Cities. An undergraduate student from Minnesota enrolled at the University of Wisconsin-River Falls, or any other similar Wisconsin comprehensive four-year institution, pays a tuition rate similar to what he or she would pay at a Minnesota state university. A Minnesotan enrolled in a University of Wisconsin System College (two-year institution) pays the tuition rate charged at a similar Minnesota community college. And, a Minnesotan enrolled in a Wisconsin technical college pays the Wisconsin technical college resident tuition rate.

Wisconsin resident undergraduate students enrolled at a Minnesota community college or consolidated community and technical college, a Minnesota state university, or a University of Minnesota campus at Duluth, Morris, or Crookston pay tuition at a rate charged by a comparable Wisconsin institution. Wisconsin resident undergraduate students enrolled in a Minnesota technical college pay tuition at the Minnesota resident tuition rate. Wisconsin resident undergraduate students enrolled at the University of Minnesota-Twin Cities pay tuition based on the resident undergraduate rate charged at the University of Wisconsin-Madison plus 25 percent of the difference between the University of Wisconsin-Madison and the University of Minnesota-Twin Cities undergraduate rate.

Minnesota and Wisconsin residents enrolled in graduate education or in law school under the tuition reciprocity agreement pay the higher of the two state tuition rates at comparable institutions.

Application Process: Minnesota residents who enroll in University of Wisconsin institutions must apply for tuition reciprocity through the Minnesota Higher Education Services Office. Minnesota students seeking tuition reciprocity at a Wisconsin technical college should apply directly to the institution they will attend.

Wisconsin residents who enroll in a University of Minnesota institution, a Minnesota state university, a Minnesota community college, or a Minnesota consolidated community and technical college must apply through the Wisconsin Higher Educational Aids Board. Wisconsin students enrolling at a Minnesota technical college should apply directly to the institution they will attend.

Minnesota students may be eligible to apply for tuition reciprocity online.



Reciprocity and Reduced Tuition

Reciprocity benefits are automatically renewed for Minnesota/Wisconsin tuition reciprocity students who earned post-secondary credits in the previous 12 months.

Applications are available from all high schools or eligible post-secondary education institutions, or request an application from:

Minnesota Higher Education
Services Office
1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227
Tel: (651) 642-0567 or (800) 657-3866
E-mail: info@heso.state.mn.us
Web: www.mheso.state.mn.us

Wisconsin Higher Educational Aids Board
P.O. Box 7885
Madison, WI 53707
Tel: (608) 267-2209
E-mail: HEABmail@heab.state.wi.us
Web: www.heab.state.wi.us

Minnesota/North Dakota Tuition Reciprocity

All public post-secondary education institutions in Minnesota and North Dakota are included in the statewide tuition reciprocity agreement. All undergraduate and graduate programs of study are available to reciprocity students, including professional programs of study.

Reciprocity Tuition Rate: Minnesota resident undergraduate or graduate students enrolled at the University of North Dakota or North Dakota State University pay the average tuition at a rate charged by Minnesota state universities. Minnesota resident students attending other North Dakota public four-year institutions pay tuition at a rate slightly above the North Dakota resident tuition rate. Minnesota residents enrolled in a North Dakota two-year institution pay tuition at a rate comparable to what is charged Minnesota residents attending a Minnesota community or technical college.

North Dakota residents enrolled in a Minnesota public post-secondary institution pay the Minnesota resident tuition rate.

Application Process: Minnesota residents who graduated from a Minnesota high school within 12 months of initial enrollment at a North Dakota institution do not have to apply for tuition reciprocity. These students must present an official high school transcript to the enrolling North Dakota school. Minnesota residents who graduated from high school more than 12 months prior to initial enrollment at a North Dakota institution must apply for tuition reciprocity through the Minnesota Higher Education Services Office.

North Dakota residents who enroll in a Minnesota technical college must apply for tuition reciprocity through the North Dakota Board for Career and Technical Education. All other North Dakota residents must apply through the North Dakota Board of Higher Education.

Reciprocity benefits are automatically renewed for Minnesota/North Dakota tuition reciprocity students who earned post-secondary credits in the previous 12 months

Applications are available from all high schools or eligible post-secondary education institutions, or request an application from:

Minnesota Higher Education
Services Office
1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227
Tel: (651) 642-0567 or (800) 657-3866
E-mail: info@heso.state.mn.us
Web: www.mheso.state.mn.us

North Dakota University System
State Capitol Building, 10th Floor
600 E. Boulevard Avenue, Dept. 215
Bismarck, ND 58505
Tel: (701) 328-4113
E-mail: ndus@ndus.nodak.edu
Web: www.ndus.nodak.edu

North Dakota Board for
Career and Technical Education
600 E. Boulevard Avenue, Dept 270
Bismarck, ND 58505
Tel: (701) 328-2288
E-mail: cte@state.nd.us
Web: www.state.nd.us/cte/

Minnesota/South Dakota Tuition Reciprocity

All public post-secondary education institutions in Minnesota and South Dakota are included in the statewide tuition reciprocity agreement. All undergraduate and graduate programs of study are available to reciprocity students, including professional programs of study.

Reciprocity Tuition Rate: Minnesota resident undergraduate or graduate students enrolled at the University of South Dakota, South Dakota State University, or other South Dakota public four-year institutions pay the average undergraduate or graduate tuition rate charged by Minnesota state universities. Minnesota residents enrolled in professional programs at the University of South Dakota pay no more than 150 percent of the South Dakota resident tuition rate. Minnesota residents enrolled in South Dakota technical institutes in Watertown, Mitchell, Sioux Falls, or Rapid City pay the South Dakota resident tuition rate.

South Dakota residents enrolled in a Minnesota public post-secondary institution pay approximately the Minnesota resident tuition rate. At some Minnesota state universities and Minnesota two-year institutions the tuition rate is slightly above Minnesota resident rates.

Application Process: Minnesota residents who graduated from a Minnesota high school within 12 months of initial enrollment at a South Dakota institution do not have to apply for tuition reciprocity. These students must present an official high school transcript to the enrolling South Dakota school. Minnesota residents who graduated from high school more than 12 months prior to initial enrollment at a South Dakota institution must apply for tuition reciprocity through the Minnesota Higher Education Services Office.

South Dakota residents who enroll in a Minnesota public post-secondary institution must apply for tuition reciprocity through the South Dakota Board of Regents.

Reciprocity benefits are automatically renewed for Minnesota/South Dakota tuition reciprocity students who earned post-secondary credits in the previous 12 months.

Applications are available from all high schools or eligible post-secondary education institutions, or request an application from:

Minnesota Higher Education
Services Office
1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227
Tel: (651) 642-0567 or (800) 657-3866
E-mail: info@heso.state.mn.us
Web: www.mheso.state.mn.us

Reciprocity Program
South Dakota Board of Regents
Box 2201, University Station
Brookings, SD 57007
Tel: (605) 688-4497
E-mail: joella_anderson@sdstate.edu
Web: www.sdbor.edu

Minnesota/Manitoba Tuition Reciprocity

Minnesota and Manitoba residents wishing to obtain tuition reciprocity benefits should contact the school where they intend to enroll. Students pay the resident tuition rate at the institution attended.

Iowa Lakes Community College & Minnesota West Community and Technical College

Minnesota residents and Iowa residents who live in the Iowa Lakes Community College attendance district should contact the school where they intend to enroll. Students pay the resident tuition rate at the institution.

Midwest Student Exchange Program

Through the Midwest Student Exchange Program (MSEP), Minnesota residents may attend a participating public and private post-secondary institution in Michigan, Missouri, Kansas and Nebraska at a reduced tuition rate. The program also allows residents of participating states to attend a Minnesota public institution at a reduced tuition rate.

Program Tuition Rate:

Students pay up to 150 percent of the resident tuition rate (which is still below the non-resident rate) at participating public colleges and universities or receive a 10 percent reduction in tuition at participating private schools.

Application Process: Students must indicate they are seeking admission as a Midwest Student Exchange Program student when applying to an eligible institution. The institution will evaluate the student's request and respond directly to the student.

Eligibility Requirements: Minnesota residents are eligible for reduced tuition at a limited number of public and private schools in Michigan, Missouri, Kansas, and Nebraska. Minnesota residents interested in a North Dakota school and North Dakota residents interested in a Minnesota school must apply for tuition reciprocity (see page 28) rather than the Midwest Student Exchange Program.

If you're a resident of Michigan, Missouri, Kansas, and Nebraska, you're eligible for reduced tuition if you attend a Minnesota public college or university through the Midwest Student Exchange Program.

Brochures listing eligible colleges, universities, and programs of study are distributed to high schools, and are available from:

Minnesota Higher Education
Services Office
1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227
Tel: (651) 642-0567 or (800) 657-3866
E-mail: info@heso.state.mn.us

Midwest Higher Education Commission
1300 South Second St., Suite 130
Minneapolis, MN 55454-1079
Tel: (612) 626-8288
Web: www.mhec.org

**Click on Reciprocity under
Paying for College at
www.mheso.state.mn.us
to check current
reciprocity tuition rates.**



**Reciprocity
and
Reduced
Tuition**



Are There Any Education Tax Benefits?

Several federal tax benefits are available to help pay for post-secondary education. These include tax credits, tax deductions, and exclusions from gross income.

Limitations & Restrictions

The following tax incentives have different phase-in and phase-out periods, varying income eligibility requirements, and definitions of qualified college costs. Students and families may need to choose among incentives since some tax preferred investment options and tax provisions cannot be used with each other in the same tax year.

Hope Tax Credit

The Hope Tax Credit provides up to \$1,500 per eligible student to help cover the first two years of qualified expenses for each eligible student. The credit reduces the amount of federal individual income taxes you may have to pay. Scholarships, grants, and other tax-free educational assistance are subtracted from tuition and fees, and may reduce the amount of credit you receive.

Qualified Education Expenses: Qualified tuition and related expenses are tuition and fees required for enrollment at an eligible institution. Qualified expenses do not include books, room and board, student activities, athletics (unless the course is part of the student's degree program), insurance, equipment, transportation, or other similar personal, living, or family expenses.

Eligibility Requirements: The student must be taking at least one half the normal full-time work load in a program that leads to a degree, certificate, or other recognized educational credential; and enrolled for at least one quarter or semester during the calendar year. You, your spouse, or an eligible dependent can be an eligible student.

You must file a tax return and owe taxes to take advantage of this tax credit. Tax credits are subtracted directly from the tax you owe, rather than reducing taxable income like a tax deduction. If the credit is more than your tax, the excess is not refunded to you.

Limitations: The tax credit is limited to the first two years of qualified expenses, and phases out for joint tax filers between

\$82,000 and \$102,000 of adjusted gross income and for single tax filers between \$41,000 and \$51,000. Married taxpayers filing separate returns cannot claim this credit. The credit is based on qualified tuition and fees minus scholarships, grants, and other tax-free educational assistance.

You cannot claim the Hope and Lifetime Learning Tax Credits for the same student in the same year, but families may be able to claim the Hope Credit for some family members and the Lifetime Learning Tax Credit for others who qualify in the same year. You may be able to claim this credit in the same year a distribution is received from a Coverdell Education Savings Account (ESA) or a Qualified Tuition Program (QTP). You cannot use expenses paid with a distribution from either a Coverdell ESA or a QTP as the basis for the Hope Tax Credit.

Effects on Financial Aid: The Hope Tax Credit is reported on the *Free Application for Federal Student Aid* Worksheet C. The credit reduces the amount of federal income tax liability and reduces total income used to determine financial aid.

Lifetime Learning Tax Credit

The Lifetime Learning Credit equals 20 percent of the amount of qualified tuition and related expenses, up to \$2,000 per taxpayer's family for all undergraduate and graduate study. There is no limit on the number of years for which the Lifetime Learning Tax Credit can be claimed for each student.

Qualified Education Expenses: Qualified tuition and related expenses are tuition and fees required for enrollment or attendance at an eligible education institution. Non-credit courses to acquire or improve job skills also may qualify. Check with your tax preparer or contact the IRS.

Eligibility Requirements: Generally, you can claim the Lifetime Learning Tax Credit if you pay qualified tuition and related expenses of higher education for an eligible student. You, your spouse, or an eligible dependent can be an eligible student.

The tax credit also may be claimed for a student who enrolls in a single course or who is not pursuing a degree or other recognized educational credential.

You must file a tax return and owe taxes to take advantage of this tax credit. Tax credits are subtracted directly from the tax you owe, rather than reducing taxable income like a tax deduction. If the credit is more than your tax, the excess is not refunded to you.

Limitations: The credit covers qualified expenses for all undergraduate and graduate study. There is no limit on the number of years. It has the same income phase-outs as the Hope Tax Credit. Married taxpayers filing separate returns cannot claim this credit. The credit is based on qualified tuition and fees minus scholarships, grants, and other tax-free educational assistance.

You cannot claim the Hope and Lifetime Learning Tax Credits for the same student in the same year, but families may be able to claim the Lifetime Learning Tax Credit for some family members and the Hope Credit for others who qualify in the same year. You may be able to claim this credit in the same year a distribution is received from a Coverdell Education Savings Account (ESA) or a Qualified Tuition Program (QTP). You cannot use expenses paid with a distribution from either a Coverdell ESA or a QTP as the basis for the Lifetime Learning Tax Credit.

Effects on Financial Aid: The Lifetime Learning Tax Credit is reported on the *Free Application for Federal Student Aid* Worksheet C. The credit reduces the amount of federal income tax liability and reduces total income used to determine financial aid.

Student Loan Interest Deduction

Taxpayers who have taken loans to pay the price of attending an eligible educational institution for themselves, their spouse, or their dependent may deduct the interest they pay on the loans up to \$2,500.

The deduction is not limited to government sponsored loans, but does not apply to loans made by family members.

Qualified Education Expenses: Qualified expenses are the costs of attending an eligible educational institution, including graduate school. These costs typically include tuition, fees, room and board, books, equipment, and other necessary expenses, such as transportation. These costs, however, must be reduced by nontaxable educational assistance benefits.

Eligibility Requirements: The student must be enrolled in a degree, certificate, or other program leading to a recognized educational credential at an eligible educational institution; and have attended for at least one half the normal full-time work load for the course of study.

Limitations: This deduction phases out at modified adjusted gross incomes of \$100,000 to \$130,000 for married taxpayers filing joint returns and \$50,000 to \$65,000 for single taxpayers.

Effects on Financial Aid: The deduction reduces the federal adjusted gross income reported on the *Free Application for Federal Student Aid*.

Tuition and Fees Deduction

Taxpayers may take a deduction of up to \$4,000 for qualified tuition and related expenses. Qualified expenses must be reduced by the amount of any tax-free education assistance you receive.

Qualified Education Expenses: Qualified expenses are tuition and fees required for enrollment at an eligible institution. Qualified expenses do not include books, room and board, student activities, athletics (unless the course is part of the student's degree program), insurance, equipment, transportation, or other similar personal, living, or family expenses. The deduction does not apply to tax years after 2005.

Limitations: You cannot take this deduction if you claim the Hope or Lifetime Learning Tax Credit in the same year.

The maximum deduction is limited to tax filers with modified adjusted gross incomes not over \$65,000 (\$130,000 on a joint return). Taxpayers with incomes between \$65,000 (\$130,000 on a joint return) but not over \$80,000 (\$160,000 on a joint return) can deduct up to \$2,000 of qualified tuition and related expenses.

Effects on Financial Aid: The deduction reduces the federal adjusted gross income on the *Free Application for Federal Student Aid*.

Other College Tax Provisions

Several other tax provisions may help families cover college costs:

- Grants and scholarships are generally excluded from the gross income of the recipient.
- The value of debt forgiven if a student performs qualified work after graduation is excluded from the student's gross income.
- The tuition reduction provided to post-secondary employees and their immediate family is excluded from the gross income of the recipient.



Education
Tax and
Savings
Incentives

Tax Preferred Saving and Investment Options

Several tax-preferred saving and investment options are available to help you save and pay for post-secondary education. These are particularly valuable if the family begins to use them when children are young.

Series EE Savings Bonds

Series EE bonds remain a popular savings option for paying for college. Contributions are not tax deductible, but you may be able to exclude all or part of the interest earned on Series EE bonds from income when you redeem the bonds to pay post-secondary education tuition and fees for undergraduate or graduate study.

Bond interest is subject to federal income tax, but not state or local income tax. However, Series EE bonds purchased after January 1, 1990 or Series I bonds may be eligible for a special federal exclusion from taxpayer income when bond redemption proceeds are used for tuition and fees.

Qualified Education Expenses: Qualified expenses are tuition and fees required for you, your spouse, or your dependent for whom you claim an exemption to attend an eligible school. Qualified expenses do not include expenses for room and board or for courses involving sports, games, or hobbies not part of a degree program.

You must reduce the qualified expenses by the amount of any tax-free educational assistance you receive as well as any expenses used in figuring the Hope and Lifetime Tax Credits, and tax-free withdrawals from a Coverdell Education Savings Account.

Eligibility Requirements: You must be paying qualified education expenses for yourself, spouse, or a dependent. Bonds must be issued either in the taxpayer's name (as sole owner) or in the name of both the taxpayer and the spouse (as co-owners). The owner must be at least 24 years old before the bond's issue date.

Limitations: Income limits are applied in the year bonds are redeemed. Limits are \$87,500 to \$117,750 for married taxpayers filing joint returns and \$58,500 to \$73,500 for single taxpayers.

Effects on Financial Aid: An education savings bond is reported on the *Free Application for Federal Student Aid* as a parental asset if owned by the parent and a student asset if owned by the student. The interest income exclusion on savings bonds reduces federal adjusted gross income.

Minnesota College Savings Plan

The Minnesota College Savings Plan (MCSP), a 529 Qualified Tuition Program, allows individuals to contribute to state-directed college savings accounts. Earnings accumulate tax-free, and are exempt from federal and state taxes if used for qualified higher education expenses.

The state of Minnesota provides an annual matching grant of up to \$300 to Minnesota families making a minimum annual contribution of \$200, contingent on continuing state appropriations for the match. If the account beneficiary's family income is \$50,000 or less, the matching grant is 15 percent of the contributions made to the beneficiary's account during the calendar year. The percentage decreases to 5 percent if the beneficiary's family income is more than \$50,000, but not more than \$80,000.

For additional information on the Minnesota College Savings Plan or to open an account, visit www.529mn.com or call (866) 218-4223.

Qualified Education Expenses: Qualified expenses include tuition, required fees, books, supplies and equipment, and room and board for students enrolled at least half time.

Eligibility Requirements: Accounts may be opened by Minnesota residents or residents of other states. However, only Minnesota residents are eligible for the matching grant.

Limitations: The maximum contribution is \$235,000, and rollovers are limited to family members. The MCSP has limited investor direction.

You may be eligible to claim either the Hope or Lifetime Learning Tax Credits. Contributions can be made to Coverdell ESA and the MCSP in the same year for the same beneficiary.

Effects on Financial Aid: If owned by the parent, the 529 savings asset is reported as a parental asset on the *Free Application for Federal Student Aid*. If owned by the student, it is reported as a student asset. The 529 savings plan earnings exclusion reduces federal adjusted gross income.

For More Information

To learn more about federal education tax benefits and savings options, contact the Internal Revenue Service at (800) 829-3676 or visit

www.irs.gov/formspubs/ to view or download IRS publication 970.

Or visit **www.mheso.state.mn.us** and click on *Tax Benefits & Incentives* under *Paying for College*.

Coverdell Education Savings Accounts

A Coverdell Education Savings Account (ESA) is a trust or custodial account created for paying qualified education expenses of the designated beneficiary of the account. A Coverdell ESA can be opened at any bank or other IRS-approved entity.

Earnings accumulate tax-free, and distributions may be used for elementary and secondary school expenses as well as for post-secondary education expenses.

Qualified Education Expenses: Expenses for room and board must be incurred by students who are enrolled at least half time, and will qualify only to the extent that they do not exceed the greater of the following two amounts:

- the allowance for room and board, as determined by the eligible educational institution, that was included in the price of attendance (for federal financial aid purposes) for a particular academic period and living arrangement of the student
- the actual amount charged if the student is residing in housing owned or operated by the eligible educational institution

Amounts withdrawn from a Coverdell ESA that exceed the child's qualified higher education expenses in a taxable year are generally subject to income tax and to an additional tax of 10 percent.

Eligibility Requirements: Parents, grandparents, other family members, friends, and a child may contribute to the Coverdell ESA, provided that the total contributions for each child under 18 years of age do not exceed \$2,000 during the taxable year.

If the child does not need the money for post-secondary education, the account balance can be rolled over to the Coverdell ESA of certain family members who can use it for their higher education.

Limitations: You cannot contribute to a Coverdell ESA if you are married with an income over \$220,000 (\$110,000 for all other

taxpayers). Students must use the account by age 30 or incur a 10 percent penalty.

The Hope and Lifetime Learning Tax Credits can be claimed in same year as tax-free distribution from Coverdell ESA so long as the distribution is not used for the same education expenses for which a credit was claimed. There is no excess tax on contributions made to a Coverdell ESA on behalf of a beneficiary in the same year there are contributions to a Qualified State Tuition Program on behalf of the same beneficiary.

Effects on Financial Aid: If owned by the parent, the Coverdell ESA is reported as a parental asset on the *Free Application for Federal Student Aid*. If owned by the student, it is reported as a student asset. The Coverdell ESA earnings exclusion reduces federal adjusted gross income.

Penalty-Free IRA Withdrawals

Taxpayers can withdraw funds from individual retirement accounts (IRAs)—traditional or Roth—to pay qualified higher education expenses without paying the 10 percent early withdrawal tax that applies to withdrawals before the account owner reaches age 59 1/2.

These funds can be used to pay qualified education expenses for the taxpayer or spouse, or the child or grandchild of the taxpayer or taxpayer's spouse.

Qualified Education Expenses: Qualified expenses are tuition, fees, books, supplies, and equipment and room and board if the student is enrolled at least half time. Eligible payments may be made for qualified higher education expenses for yourself, spouse, children, or grandchildren if your withdrawal is made from traditional or Roth IRA.

Distributions from a Coverdell ESA, grants, and tax free employer-provided educational assistance are deducted from qualified expenses.

Eligibility Requirements: None.

Limitations: None.

Effects on Financial Aid: The untaxed portion of an IRA distribution is reported as untaxed income on FAFSA Worksheet B.



Education
Tax and
Savings
Incentives

Summary of Financial Aid Programs

Program	Apply to	Amount
Scholarships and Grants		
State Grant Program	Complete <i>Free Application for Federal Student Aid</i> (FAFSA).	Maximum award in 2004-2005 ranges from about \$4,801 at a public technical college to \$7,662 at a private four-year college. Average state award is \$1,860.
Federal Pell Grant Program	Complete <i>Free Application for Federal Student Aid</i> (FAFSA).	\$400–\$4,050 in 2004-2005.
Federal Supplemental Grants	Campus financial aid office.	Up to \$4,000 per year.
Minnesota Indian Scholarship Program	Call (800) 657-3927 or e-mail cfl.indianeducation@state.mn.us	Up to \$3,300 per year.
Child Care Grant Program	Campus financial aid office.	Maximum of \$2,200 per child per school year. Determined by school not to exceed 40 hours per week. Maximum award can be increased by up to 10 percent to compensate for higher market costs for infant care.
Work Study Programs		
State Work-Study Program	Campus financial aid office.	Determined by school.
Federal Work-Study Program	Campus financial aid office.	Determined by school.
Loan Programs		
Federal Perkins Loan Program	Campus financial aid office.	Up to \$20,000 total for undergraduates; \$40,000 for graduates.
Federal Stafford Student Loan Program (subsidized or unsubsidized)	Private lenders. (A limited number of schools make loans directly to students)	\$2,625/year for first year undergrad students, \$3,500/year for second year undergrad students, and \$5,500 for undergrads in third year status. \$23,000 cumulative. \$8,500/year for graduate and professional students. \$65,500 cumulative maximum, including loans for undergrad study. Loan limits are higher for independent students.

Type of Award	Eligible Students
Award based on financial need, price of attendance. All applicants must contribute at least 46 percent of their price of attendance.	Minnesota resident, enrolled for at least three credits in any year of undergraduate study. Must be a graduate of a secondary school or its equivalent, or be 17 years of age or older. Completed less than four years of college. Attend eligible Minnesota colleges. U.S. citizen or eligible non-citizen. Not in default on student loan or child support payments.
Grant based on demonstrated financial need.	Undergraduates. Males 18-25 years old and born after January 1, 1960, and not a current member of the Armed Forces must be registered with the Selective Service. U.S. citizen or eligible non-citizen. Must not be in default on a federal loan.
Grant based on financial need.	Undergraduates or vocational students enrolled at least half time. Selective Service registration. Priority given to Pell Grant recipients.
Award based on financial need.	One-fourth or more Indian ancestry; resident of Minnesota and member of recognized Indian tribe; high school graduate or have GED; show ability to benefit from advanced education; accepted by approved Minnesota institution; approved by Minnesota Indian Scholarship Committee.
Award based on financial need using family size and number of children.	Minnesota resident who has child 12 years old or younger, or 14 or younger who is handicapped, enrolled for at least 6 credits per term in an undergraduate program, and not a recipient of benefits from the Minnesota Family Investment Program.
Part-time job on or off campus based on financial need. Placement approved by school, non-profit agency, or for-profit employer.	Minnesota residents enrolled for at least six credits per term. Includes undergraduates, graduates, or vocational students. U.S. citizen or eligible non-citizen.
Part-time job either on or off campus. Based on financial need; more restrictive than state program; placement approved by school, non-profit agency, or for-profit employer.	Undergraduate, graduate or vocational students enrolled at least half time. Selective Service registration. U.S. citizen or eligible non-citizen.
Long-term, low interest (5%) loans. Must be repaid, based on financial need.	Undergraduate, graduate, or vocational students enrolled at least half time; Selective Service registration. Cannot be in default or owe a refund on any Title IV Higher Education Act loan or grant received for attendance at any institution. U.S. citizen or eligible non-citizen.
Long-term, low interest loans depending on date of first loan; must be repaid. Based on need, government pays interest while student is in school. Unsubsidized Stafford loan is 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 pass standard financial need test to qualify for subsidized loan; Selective Service registration. Cannot be in default or owe a refund on any Title IV Higher Education Act loan or grant received for attendance at any institution. U.S. citizen or eligible non-citizen.

Summary of Financial Aid Programs (continued)

Program	Apply to	Amount
Loan Programs (continued)		
Federal Parent Loan for Undergraduate Students (PLUS)	Private lenders. (A limited number of schools make loans directly to students)	Up to annual price of attendance less other aid received for each dependent child.
SELF (Student Educational Loan Fund), available only from Services Office.	Higher Education Services Office. School must approve application. Co-signer required.	Up to \$4,500 per year for the first two years and \$6,000 thereafter; total maximum of \$25,000; \$9,000 per year and \$40,000 cumulative maximum for graduates. \$500 minimum.
Reciprocity Programs		
Minnesota-Wisconsin	Minnesota students in public colleges apply to Services Office at www.mheso.state.mn.us . Vocational college students apply to the institution.	
Minnesota-South Dakota	Minnesota students in public colleges apply to Services Office at www.mheso.state.mn.us . Vocational college students apply to the institution.	
Minnesota-North Dakota	Minnesota students apply to Services Office at www.mheso.state.mn.us .	
Minnesota-Iowa	School of attendance.	
Minnesota-Manitoba	Students apply at school of attendance.	
Midwest Student Exchange Program	Students apply at time of submission of admission application.	
Veterans Benefit Programs		
Federal Veterans Benefits	Department of Veterans Affairs Office, Fort Snelling, MN 55111.	Varies by length of service, monthly rates or contributions.
State Veterans' Dependents Assistance Program	Financial aid office.	Tuition, fee assistance, maximum of \$250 per year at Minnesota private post-secondary institutions.
Educational Assistance for War Orphans and Veterans	Contact the institution or Minnesota Department of Veterans Affairs (2nd floor Veterans Service Bldg., 20 W. 12th Street, St. Paul, MN 55155); or the county veterans' service officer at the county courthouse.	One-time stipend of \$750 to veterans who have exhausted eligible federal benefits. Stipend of \$750 to war orphans at eligible institutions. Free tuition to eligible war orphans at eligible institutions.

Type of Award	Eligible Students
Long-term; variable interest that changes annually (9% maximum interest) loans; must be repaid. Ordinarily, repayment of principal and interest begins 60 days after disbursement.	Parents of dependent, undergraduate students; Selective Service registration. Cannot be in default or owe a refund on any Title IV Higher Education Act loan or grant received for attendance at any institution. U.S. citizen or permanent resident.
Long-term loans; must be repaid; variable interest.	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 Canadian province of Manitoba.
Students attending a public higher education institution in the neighboring state pay approximately the average tuition they would have paid at a comparable school in their home state. Technical college students pay the resident rate at the institution they attend.	Virtually all public collegiate, technical college students. Exceptions are students in the College of Medicine, Veterinary Medicine and Dentistry at the University of Minnesota-Twin Cities or Duluth and University of Wisconsin-Madison or Milwaukee.
Students pay the higher of the resident tuition and fee rate at the institution attended or the resident tuition and fee rate at a comparable home state institution.	Most students in public institutions.
Students pay the higher of the resident tuition at the institution or the resident tuition rate at a comparable home state institution.	Most students in public institutions.
Students pay resident tuition.	Students at Minnesota West Community and Technical College; Iowa Lakes Community College.
Students pay resident tuition.	Minnesota residents enrolling at University of Manitoba, University of Winnipeg, Brandon University, Red River Community College, Assiniboine Community College, or College universitaire de Saint-Boniface.
Students pay reduced tuition at participating public and private institutions.	Minnesota students enrolling in participating institutions/programs in Kansas, Michigan, Missouri, and Nebraska.
Monthly benefits under Veterans Education Assistance Program, Montgomery GI Bill.	Veterans, dependents.
Aid to dependents.	Dependents of POWs, MIAs.
Stipends and tuition benefits to veterans and children of deceased veterans.	Veterans and children of deceased veterans.



Where Can I Get Additional Help?

Financial aid may seem confusing, but there are people who can advise students and parents on the best way to meet college costs, including high school counselors, financial aid administrators at post-secondary schools, and the staff of the Minnesota Higher Education Services Office.

The most important single source of information is the college **financial aid administrator** who:

- distributes and receives applications
- determines student need
- develops financial aid packages
- distributes aid
- provides professional counseling to students and families

Your aid administrator will suggest the types of aid best suited to your needs and financial situation. Contact the financial aid administrator well before the start of the school term, and be sure to consult the school's catalog for application deadlines.

Schools are responsible for making judgments to meet individual needs of students.

Many of the federal, state, and private student aid programs provide for some degree of discretion by the aid administrator who can consider special circumstances affecting the financial need of students.

Resources for Students with Disabilities

Students with a disability may have additional needs and expenses when they attend college. Support services such as individual counseling and reasonable accommodation (assistive technology, auxiliary aids, and services for effective communication) may be available at the post-secondary institution. Students should register with the Student Services Personnel, 504 Coordinator, or Disability Support Services Office at their post-secondary institution, and will need to disclose any disabilities in order to qualify for support services. Several additional resources are listed on the next page.

Disability Resources

Student Aid Audio Guide CD

FAFSA in Braille

Federal Student Aid Information Center
P.O. Box 84
Washington D.C. 20044-0084
Tel: (800) 433-3243 voice
(800) 730-8913 TTY

Creating Options: A Resource on Financial Aid for Students with Disabilities

Describes financial aid terms and disability-related expenses. It illustrates how to include these expenses on a student budget, and shows how to coordinate such sources of funding as Vocational Rehabilitation Services and Social Security. To obtain a copy, visit www.heath.gwu.edu or contact:

HEATH Resource Center
George Washington University
2121 K Street Northwest, Suite 220
Washington D.C. 20037
Tel: (202) 973-0904 or (800) 544-3284
E-mail: askheath@gwu.edu

College Students Who Have Chronic Diseases or Mental Conditions

College Students with Learning Disabilities

College Students Who Have ADHP

There is a small fee charged for each of these brochures. Visit www.ahead.org to learn more or contact:

Association on Higher Education and Disability (AHEAD)
P.O. Box 540666
Waltham, MA 02454
Tel: (781) 788-0003 (voice and TTY)
E-mail: ahead@ahead.org

Most financial aid money is made available to you through the college's financial aid office.

Vocational Rehabilitation Program

If you have a severe physical or mental disability that causes a significant impediment to gainful employment, you may be eligible for rehabilitation counseling and other career planning services from your state Vocational Rehabilitation Program.

If you are determined eligible for services and if you meet the Order of Selection (in Minnesota, qualifying for vocational rehabilitation is a two-step process), a rehabilitation counselor can assist with developing an individual plan for employment, and will provide services to meet your disability-related needs.

Minnesota's vocational rehabilitation program does consider your eligibility for other financial aid, and may fund some direct costs (such as tuition and mandatory fees, books, supplies and equipment), if post-secondary training is part of your Employment Plan.

For information, visit www.mnwfc.org, consult the blue pages in your local phone book for the Department of Employment and Economic Development Rehabilitation Services Office nearest you, or call (651) 296-5616 voice or (651) 296-3900 TTY in the Twin Cities metro area, or (800) 328-9095 voice or (800) 657-3973 TTY in Greater Minnesota.

Services for the Blind or Visually Impaired

Vocational rehabilitation services for persons who are blind or visually impaired are provided by the Minnesota State Services for the Blind (www.mnssb.org). Consult this web site or your local phone book for the State Services for the Blind office nearest you, or call (651) 642-0500 voice or (651) 642-0506 TTY in the Twin Cities metro area, or call (800) 652-9000 voice and TTY in Greater Minnesota.

The Minnesota State Services for the Blind also transcribes textbooks and vocational materials onto cassette tape or into braille free-of-charge to Minnesota students who are blind or visually impaired.

Additional resources are available from the **Federal Student Aid Information Center** to assist students who are blind or visually impaired:

Federal Student Aid Audio Guide

The U.S. Department of Education has produced an audio guide on federal student aid for visually impaired students. The guide describes eligibility requirements and application procedures for federal grant, loan, and work-study programs; scholarships offered to visually impaired students; and the rights of students with disabilities under

the Rehabilitation Act, which forbids disability bias in federally assisted institutions.

The Audio Guide is available online at www.studentaid.ed.gov/audioguide/ or on compact disc.

The FAFSA in Braille

A Braille version of the *Free Application for Federal Student Aid* (FAFSA) is available as a reference aid. It cannot, however, be submitted in place of the regular or online application.

Minnesota Career Information System

The Minnesota Career Information System (MCIS) provides annually updated information about student financial aid. By using the computerized system, a student can obtain general information about student financial aid as well as specific financial aid information on post-secondary schools in Minnesota and more than 3,500 colleges nationally. MCIS also has an extensive searchable scholarship list which includes information on over 3,000 national and Minnesota specific scholarship programs.

MCIS is available in over 600 sites statewide, including secondary and post-secondary schools, workforce centers, libraries, correctional facilities, and a variety of other agencies throughout Minnesota. Contact your high school counselor to find out if your school has access to MCIS. For more information, contact:

MCIS

Minnesota Department of Education
1500 Highway 36 West
Roseville, MN 55113
Tel: (651) 582-8357 or (800) 599-MCIS



Assistance
and
Resources

Additional Sources of Information

A number of other publications are available to help you learn about sources of financial aid. Many are available at your school or public library. Your high school counselor or librarian can help you find many of them.

College Catalogs and Brochures

Your school library and guidance center will have many available. Also, write to the admissions offices of post-secondary institutions to request these publications.

College Cost and Financial Aid Handbook, 2005. This book lists prices at over 3,000 two- and four-year colleges and universities. It also includes information on sources of financial aid and how to apply. It can be purchased at bookstores, or directly from the publisher at **www.collegeboard.com**, by calling (800) 323-7155, or by sending a check for \$24.95, plus \$5 for shipping, to:

College Board Publications
P.O. Box 869010
Plano, TX 75074-0998

The College Handbook, 2005. This guide contains up-to-date information on more than 3,600 two- and four-year colleges and universities, housing, majors, special study options, financial aid, and athletics. It also includes a Windows CD-ROM with SAT exam preparation. The guide can be purchased at bookstores, or directly from the publisher at **www.collegeboard.com**, by calling (800) 323-7155, or by sending a check for \$27.95, plus \$5 for shipping, to:

College Board Publications
P.O. Box 869010
Plano, TX 75074-0998

College Money Handbook, 2005. This publication presents information on costs and financial aid at over 2,100 U.S. colleges and universities. It can be purchased at bookstores, or directly from the publisher at **www.petersons.com**, by calling call (800) 338-3282, or by sending a check for \$29.95, plus \$5.25 for shipping, to:

Peterson's
Princeton Pike Corporate Center
2000 Lenox Drive, Box 67005
Lawrenceville NJ 08648

Don't Miss Out, The Ambitious Student's Guide to Financial Aid, 2004-2005. This book explores grants, loans, scholarships, and tax credits. It contains worksheets to help estimate family contribution to college costs. It can be purchased directly from the publisher at **www.thinktuition.com** or by sending a check for \$11, plus \$3 for shipping, to:

Octameron Associates
P.O. Box 2748
Alexandria, VI 22301

Get Set for College: A College Planning Guide for Minnesota Students and Parents.

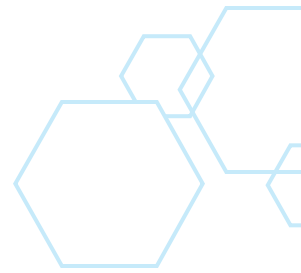
This guide contains financial aid facts and tips, the steps for college planning, and a directory of Minnesota colleges and universities. The guide is available free from high school counselors' offices, or directly from the publisher by calling (847) 634-2560, or by writing to:

ACT Midwest office
300 Knightsbridge Parkway, Suite 300
Lincolnshire, IL 60069-9498

Need A Lift? This 160-page handbook contains sources of scholarships, financial aid opportunities, loans, careers, and employment opportunities for all students. A special section applies to veterans and their dependents. Copies are available by sending a check or money order (no cash) for \$3, plus \$.95 for shipping, to:

The American Legion
National Emblem Sales
P.O. Box 1050
Indianapolis, Indiana 46206^o

Glossary of Financial Aid Terms



The following list includes many of the terms you may encounter in the financial aid process.

Adjusted Gross Income: All taxable income minus deductions.

Assets: Savings and checking accounts, business value, stocks, bonds, real estate, trust funds. Cars are not considered assets, nor are retirement accounts or personal possessions such as stamp collections or musical instruments.

Benefit: Funds that students are entitled to under special conditions.

Co-Signer: This is a credit worthy individual, usually a parent or spouse, who has agreed to share the responsibility for repayment of a student loan with you.

Default: Being delinquent in repaying a student loan more than a predetermined number of days or failure to comply with any of the other terms of the promissory note.

Deferment: A postponement of the loan repayment. Conditions for deferment vary by loan program.

Delinquency: The act of missing a scheduled payment on a student loan. If delinquency persists, default will occur.

Disbursement: This is the act of sending or handing a loan check to the student so that it can be cashed. A student loan could be disbursed in one, two, or three payments. Disbursements can be sent electronically to the student's school to credit his or her school account.

Exclusions from Gross Income: Benefits received by the tax filer that do not have to be included in their gross income for tax purposes. Examples are grants and scholarships, employer provided educational assistance, student loan debt forgiveness, and tuition reductions for post-secondary education employees and their families.

Expected Family Contribution (EFC): A calculation based on the need analysis of how much of a family's resources should be available to pay toward the price of attendance.

Financial Aid Administrator: A professional employee at each post-secondary institution with special knowledge and background in student financial aid.

Financial Aid Package: Assembled by the financial aid office, the financial aid package contains an estimate of the total amount of financial aid a student is to receive. It may include grant, work, and loan funds from a variety of sources.

Financial Need: The difference between the price of attending a post-secondary institution and the family's ability to pay for it.

Firstmark Services LLC: A private, for-profit company hired by the Minnesota Higher Education Services Office to service its Student Educational Loan Fund loans. A loan servicer bills students for scheduled payments, records those payments when made, encourages payments when not made, and generally monitors the status of a student loan for the student, lender, and guarantor.

Forbearance: An arrangement to postpone or reduce a borrower's monthly payment amount for a limited and specified amount of time, or to extend the repayment period. The borrower is charged interest during the forbearance.

Free Application for Federal Student Aid (FAFSA): The form that must be completed by all students and parents who apply for federal student aid. It is the only form that can be used to apply for Minnesota State Grant funds and, at most post-secondary institutions, for institutional funds.

Grant: An outright award to the student, usually based on financial need. The student does not have to repay this money.

Guarantee Fee: A fee that is deducted from the proceeds of the Stafford Student Loan and forwarded by the lender to a guarantor in return for its guaranteed coverage against default.



Assistance
and
Resources

Half-time: At schools measuring progress by credit hours and academic terms, at least six semester hours or quarter hours per term; at schools measuring progress by clock hours, at least 12 hours per week; at schools measuring progress by credit hours, but not using academic terms, at least 12 semester hours or 18 quarter hours per year.

Institutional Student Information Record (ISIR): An electronic record sent to all schools listed in the student's FAFSA that contains the student's FAFSA data and Federal need analysis results.

Interest: This is the fee charged to borrow money. Interest charges are in addition to the principal of the loan.

Interest Subsidy: The payment of interest on Stafford Student Loans by the U.S. Department of Education for student borrowers while they are in school. (Also interest benefits)

Loan: A form of assistance that requires repayment at a future time.

Need Analysis: A procedure used to estimate a student applicant's need for financial assistance to help meet his or her educational expenses. It consists of two major components; arriving at an estimate of the applicant's and/or the family's ability to contribute to educational expenses, and arriving at an accurate estimate of the educational expenses themselves.

Origination Fee: A fee that is deducted from the amount of a Stafford Student Loan.

Parents' Contribution: The amount a student's parents can be expected to contribute to their son or daughter's education; based on analysis of their income and assets.

Price of Attendance: The total amount it will cost a student to go to school. Typically included are such items as actual tuition and fees, room and board, and estimates of such expenses as books, transportation, medical, day care and dependents' allowances. For the State Grant Program, it includes averaged tuition and fees, a living allowance, and miscellaneous expenses. Campus financial aid administrators typically use more generous living and miscellaneous allowances than the state program.

Principal: This is the amount borrowed by the student before interest is charged.

Promissory Note: The legal document signed by the borrower prior to receiving a student loan. Besides containing a promise to repay the loan, it lists the conditions of the loan and terms for repayment.

Scholarship: An award to students based on academic achievement and usually on financial need. The student does not have to repay this money.

Student Budget: The amount of money the student will need to pay tuition and fees, books and supplies, room and board, personal expenses, and transportation. These figures will be determined by the financial aid administrator.

Student Aid Report (SAR): Report on the results of student's need analysis based on information supplied on the Free Application for Federal Student Aid. The report is used to make corrections.

Student Contribution (SC): The amount that a student/spouse can be expected to contribute to the price of attendance based on need analysis of income and assets.

Tax Credit: As in the Federal Hope and Lifetime Learning Tax Credits, means a credit against a tax liability. The tax filer is able to subtract the amount of credit from tax liability. The tax filer must have tax liability to receive the Hope or Lifetime credit. This is what is meant by a "nonrefundable" credit.

Tax Deduction: Tax deductions are subtractions from income. In the case of student loans, some tax filers may be able to deduct some interest from income. Some tax filers will do this when they "itemize" their tax deductions. However, tax filers who do not itemize will be able to deduct interest on student loans.

Financial Aid Contacts

Following are the addresses and phone numbers of contacts for obtaining information on financial aid at Minnesota post-secondary institutions. To find Title IV school codes used to complete the FAFSA that are not listed, visit www.fafsa.ed.gov.

Community & Technical Colleges

Alexandria Technical College #005544

Gary McFarland
(320) 762-0221 or (888) 234-1222
1601 Jefferson Street
Alexandria, MN 56308-3799
garym@alx.tec.mn.us
www.alextech.org

Anoka Technical College #007350

Nancy Maki
(763) 576-4760 or (800) 247-5588
1355 West Highway 10
Anoka, MN 55303-1590
nmaki@ank.tec.mn.us
www.ank.tec.mn.us

Anoka-Ramsey Community College, Cambridge Campus #002332

Mary Kay Lavigne
(763) 689-7000
300 Polk Street South
Cambridge, MN 55008
Marykay.lavigne@anokaramsey.edu
www.anokaramsey.edu

Anoka-Ramsey Community College, Coon Rapids Campus #002332

Karla Seymour
(763) 422-3411
11200 Mississippi Boulevard Northwest
Coon Rapids, MN 55433-3499
Karla.Seymour@anokaramsey.edu
www.anokaramsey.edu

Central Lakes College, Brainerd Campus #002339

Mike Barnaby
(218) 855-8025 or (800) 933-0346
501 West College Drive
Brainerd, MN 56401-3900
mbarnaby@clc.mnscu.edu
www.clc.mnscu.edu

Central Lakes College, Staples Campus #002339

Mike Barnaby
(218) 894-5157 or (800) 247-6836
1830 Airport Road
Staples, MN 56479
mbarnaby@clc.mnscu.edu
www.clc.mnscu.edu

Century College #010546

Lois Larson
(651) 779-3305 or (800) 228-1978
3300 Century Avenue North
White Bear Lake, MN 55110
l.larson@century.mnscu.edu
www.century.mnscu.edu

Dakota County Technical College #010402

Scott Roelke
(651) 423-8297 or (877) 937-3282
1300 East 145th Street
Rosemount, MN 55068-2999
scott.roelke@dctc.mnscu.edu
www.dctc.mnscu.edu

Fond du Lac Tribal and Community College #031291

Dave Sutherland
(218) 879-0816 or (800) 657-3712
2101 14th Street
Cloquet, MN 55720
finaid@fdltcc.edu
www.fdlcc.edu

Hennepin Technical College, Brooklyn Park #010491

Patricia Berktoed
(952) 995-1300 or (800) 345-4655
9000 Brooklyn Boulevard
Brooklyn Park, MN 55445
pat.berktoed@hennepintech.edu
www.hennepintech.edu

Hennepin Technical College, Eden Prairie #010491

Patricia Berktoed
(952) 995-1300 or (800) 345-4655
13100 College View Drive
Eden Prairie, MN 55347
pat.berktoed@hennepintech.edu
www.hennepintech.edu

Hibbing Community College #002355

Paul Hatch
(218) 262-7200 or (800) 224-4422
1515 East 25th Street
Hibbing, MN 55746
Paulhatch@hcc.mnscu.edu
www.hcc.mnscu.edu

Inver Hills Community College #006935

John Pogue
(651) 450-8517
2500 East 80th Street
Inver Grove Heights, MN 55076-3224
jpogue@mnscu.edu
www.inverhills.edu

Itasca Community College #002356

Patty Holycross
(218) 327-4228 or (800) 996-6422
1851 East Highway 169
Grand Rapids, MN 55744
pholycross@it.cc.mn.us
www.it.cc.mn.us

Lake Superior College #005757

Sandra Olin
(218) 733-4895 or (800) 432-2884
2101 Trinity Road
Duluth, MN 55811
s.olin@lsc.mnscu.edu
www.lsc.mnscu.edu

Mesabi Range Community & Technical College, Eveleth #002350

Caralee (Sis) Hill
(218) 744-7496 or (800) 657-3860
1100 Industrial Park Drive
PO Box 0648
Eveleth, MN 55734-0648
c.hill@mail.mr.mnscu.edu
www.mr.mnscu.edu

Mesabi Range Community & Technical College, Virginia #004009

George Walters
(218) 749-7753
1001 Chestnut Street West
Virginia, MN 55792
g.walters@mr.mnscu.edu
www.mr.mnscu.edu

Minneapolis Community & Technical College #002362

Beth Stevens
(612) 659-6240 or (800) 247-0911
1501 Hennepin Avenue
Minneapolis, MN 55403
bstevens@minneapolis.edu
www.minneapolis.edu

Minnesota State College—Southeast Technical, Red Wing #002393

Ann Dahlen
(651) 385-6323 or (800) 657-4849
308 Pioneer Road, PO Box 409
Red Wing, MN 55066-3964
adahlen@southeasttech.mnscu.edu
www.southeasttech.mnscu.edu

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Resources

**Minnesota State College—Southeast Technical,
Winona #002393**

Nate Emerson
(507) 453-2711 or (800) 372-8164
1250 Homer Road
Winona, MN 55987
NEmerson@southeasttech.mnscu.edu
www.southeasttech.mnscu.edu

**Minnesota State Community & Technical
College, Detroit Lakes #005541**

Judith Meyer
(218) 846-7454 or (800) 492-4836
900 Highway 34 East
Detroit Lakes, MN 56501
judy.meyer@mail.ntc.mnscu.edu
www.ntc-online.com

**Minnesota State Community & Technical
College, Fergus Falls #005541**

Robert Anderson
(218) 739-7520 or (877) 450-3322
1414 College Way
Fergus Falls, MN 56537
randerson@minnesota.edu
www.minnesota.edu

**Minnesota State Community & Technical
College, Moorhead #005541**

Kay Gnoinsky
(218) 299-6539 or (800) 426-5603
1900 28th Avenue South
Moorhead, MN 56560-4899
kay.gnoinsky@minnesota.edu
www@minnesota.edu

**Minnesota State Community & Technical
College, Wadena #005541**

Lauren Achterkirch
(218) 631-3530 x203 or (800) 247-2007
405 Colfax Avenue SW
PO Box 566
Wadena, MN 56482-0566
laurie.achterkirch@minnesota.edu
www@minnesota.edu

**Minnesota West Community & Technical
College, Canby #005263**

Amy Nemitz
(507) 223-7252 or (800) 658-2535
1011 1st Street West
Canby, MN 56220
amyn@cb.mnwest.mnscu.edu
www.mnwest.mnscu.edu

**Minnesota West Community & Technical
College, Granite Falls #005263**

David Vikander
(320) 564-4511 x202 or (800) 657-3247
1593 11th Avenue
Granite Falls, MN 56241
dvikande@gf.mnwest.mnscu.edu
www.mnwest.mnscu.edu

**Minnesota West Community & Technical
College, Jackson #005263**

Sharon Wieneke
(507) 847-3320 x111 or (800) 658-2522
401 West Street
Jackson, MN 56143
sharonw@jk.mnwest.mnscu.edu
www.mnwest.mnscu.edu

**Minnesota West Community & Technical
College, Pipestone #005263**

Janice Pluim
(507) 825-6800 or (800) 658-2330
PO Box 250
Pipestone, MN 56164-0250
janicep@ps.mnwest.mnscu.edu
www.mnwest.mnscu.edu

**Minnesota West Community & Technical
College, Worthington #005263**

Faith Drent
(507) 372-3450 or (800) 657-3966
1450 Collegeway
Worthington, MN 56187
fdrent@wr.mnwest.mnscu.edu
www.mnwest.mnscu.edu

Normandale Community College #007954

Catherine Breuer
(952) 487-8250
9700 France Avenue South
Bloomington, MN 55431
c.breuer@normandale.edu
www.normandale.edu

North Hennepin Community College #002370

Jackie Olsson
(763) 424-0731
7411 85th Avenue North
Brooklyn Park, MN 55445
jackie.olsson@nhcc.mnscu.edu
www.nhcc.mnscu.edu

**Northland Community & Technical College,
East Grand Forks #002385**

Rhonda Hettervig
(218) 773-4521 or (800) 451-3441
2022 Central Avenue NE
P.O. Box 1111
East Grand Forks, MN 56721
rhonda.hettervig@northlandcollege.edu
www.northlandcollege.edu

**Northland Community & Technical College,
Thief River Falls #002385**

Donna Quam
(218) 681-0860 or (800) 959-6282
1101 Highway One East
Thief River Falls, MN 56701
dquam@northlandcollege.edu
www.northlandcollege.edu

Northwest Technical College, Bemidji #005759

Linda Lindseth
(218) 755-4282 or (800) 942-8324
905 Grant Avenue SE
Bemidji, MN 56601
linda.lindseth@ntcmn.edu
www.ntcmn.edu

Pine Technical College #005535

Susan Pixley
(320) 629-5100 x161 or (800)-521-7463
900 4th Street
Pine City, MN 55063
pixleys@ptc.tec.mn.us
www.ptc.tec.mn.us

Rainy River Community College #006775

Scott Riley
(218) 285-2205 or (800) 456-3996
1501 Highway 71
International Falls, MN 56649
sriley@rrcc.mnscu.edu
www.rrcc.mnscu.edu

Ridgewater College, Hutchinson #005252

Diane Gassman
(320) 587-3636 or (800) 222-4424
Two Century Avenue Southeast
Hutchinson, MN 55350
dgassman@ridgewater.mnscu.edu
www.ridgewater.mnscu.edu

Ridgewater College, Willmar #005252

Jim Rice
(320) 231-2919 or (800) 722-1151
2101 15th Avenue Northwest, Box 1097
Willmar, MN 56201
jrice@ridgewater.mnscu.edu
www.ridgewater.mnscu.edu

**Riverland Community College, Albert Lea
#002335**

JoAnn Haynes
(507) 379-3323 or (800) 333-2584
2200 Riverland Drive
Albert Lea, MN 56007
jhaynes@river.cc.mn.us
www.riverland.cc.mn.us

Riverland Community College, Austin #002335

Judy Robeck
(507) 433-0511 or (800) 247-5039
1900 8th Avenue Northwest
Austin, MN 55912
jrobeck@river.cc.mn.us
www.riverland.cc.mn.us

**Rochester Community & Technical College
#002373**

Rosemary Hicks
(507) 285-7259 or (800) 247-1296
851 30th Avenue Southeast
Rochester, MN 55904-4999
rosemary.hicks@roch.edu
www.rctc.edu

**South Central Technical College, Faribault
#005537**

Elizabeth Prange
(507) 332-5805 or (800) 422-0391
1225 Third Street Southwest
Faribault, MN 55021
prangee@southcentral.edu
www.southcentral.edu

**South Central Technical College,
North Mankato/Mankato #005537**

Jayne Dinse
(507) 389-7269 or (800) 722-9359
1920 Lee Boulevard
North Mankato, MN 56002-1920
jayned@sctc.mnscu.edu
www.southcentral.edu

St. Cloud Technical College #005534

Anita Bough
(320) 308-5961 or (800) 222-1009
1540 Northway Drive
St. Cloud, MN 56303-1240
agb@sctc.edu
www.sctc.edu

St. Paul College #005533

Susan Prater
(651) 846-1471 or (800) 227-6029
235 Marshall Avenue
St. Paul, MN 55102
susan.prater@saintpaul.edu
www.saintpaul.edu

Vermilion Community College #002350

Deborah Miller
(218) 365-7212 or (800) 657-3608
1900 East Camp Street
Ely, MN 55731
d.miller@vcc.edu
www.vcc.edu

State Universities**Bemidji State University #002336**

Paul Lindseth
(218) 755-2034 or (800) 475 2001
1500 Birchmont Drive NE
Bemidji, MN 56601-2699
plindseth@bemidjistate.edu
www.bemidjistate.edu

Metropolitan State University #010374

Robert Bode
(651) 793-1414
700 East Seventh Street
St. Paul, MN 55106-5000
finaid@metrostate.edu
www.metrostate.edu

Minnesota State University, Mankato #002360

Sandra Loerts
109 Wigley Administration Center
(507) 389-1185 or (800) 722-0544
Mankato, MN 56001-6066
sandra.loerts@mnsu.edu
www.mnsu.edu

Minnesota State University, Moorhead #002367

Carolyn Zehren
(218) 236-2251 or (800) 593-7246
1104 7th Avenue South
Moorhead, MN 56563-0002
zehren@mnstate.edu
www.mnstate.edu

St. Cloud State University #002377

Frank Loncorich
(320) 308-2047 or (877) 654-7278
720 Fourth Avenue South
St. Cloud, MN 56301-4498
financialaid@stcloudstate.edu
www.stcloudstate.edu

Southwest Minnesota State University #002375

Marcia Hubner
(507) 537-6281 or (800) 642-0684
1501 State Street
Marshall, MN 56258-1598
hubner@southwestmsu.edu
www.southwestmsu.edu

Winona State University #002394

Greg Peterson
(507) 457-5090 or (800) 342-5978
P.O. Box 5838
8th and Johnson Streets
Winona, MN 55987-5838
gpeterson@winona.edu
www.winona.edu

University of Minnesota**University of Minnesota, Crookston #004069**

Heidi Patterson
(218) 281-8569 or (800) 232-6466
2900 University Avenue
Crookston, MN 56716-5001
Hpatters@mail.crk.umn.edu
www.crk.umn.edu

University of Minnesota, Duluth #002388

Brenda Herzig
(218) 726-8000 or (800) 232-1339
1049 University Drive
Duluth, MN 55812-2496
bherzig@d.umn.edu
www.d.umn.edu

University of Minnesota, Morris #002389

Pam Engebretson
(320) 589-6035 or (800) 992-8863
105 Behmler Hall
600 East 4th Street
Morris, MN 56267-2134
engebrepj@umn.edu
www.mrs.umn.edu

University of Minnesota, Twin Cities #003969

Kris Wright
Financial Aid Director
(612) 624-1665 or (800) 400-8636
210 Fraser Hall
106 Pleasant Street SE
Minneapolis, MN 55455-0422
www.umn.edu/tc

Private Colleges**Alfred Adler Graduate School**

(952) 988-4170
1001 West Highway 7, Suite 311
Hopkins, MN 55305
www.alfredadler.edu

Augsburg College #002334

Paul Terrio
(612) 330-1000 or (800) 273-0617
2211 Riverside Avenue
Minneapolis, MN 55454
terriop@augsborg.edu
www.augsburg.edu

Augsburg Weekend College #002334

Paul Terrio
(612) 330-1000 or (800) 273-0617
2211 Riverside Avenue
Campus Box 309
Minneapolis, MN 55454
terriop@augsborg.edu
www.augsburg.edu

Bethany Lutheran College #002337

Jeff Younge
(507) 344-7328 or (800) 944-3066
700 Luther Drive
Mankato, MN 56001
jyounge@blc.edu
www.blc.edu

Bethel University #002338

Jeff Olson
(651) 638-6241 or (800) 255-8706
3900 Bethel Drive
St. Paul, MN 55112
jeff-olson@bethel.edu
www.bethel.edu

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College of St. Scholastica #002343

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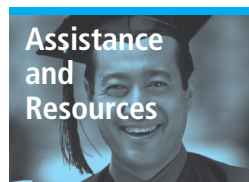
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Oak Hills Christian College #016116

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Pillsbury Baptist Bible College #016117

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Presentation College #003467

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St. John's University #002379

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Argosy University #021799

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Central Beauty School—Cambridge
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Cosmetology Careers Unlimited #009600
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(218) 722-7484
121 West Superior Street
Duluth, MN 55802
www.coscareers.com

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(218) 263-8354
110 East Howard Street
Hibbing, MN 55746
www.coscareers.com

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www.cosmetologytrainingcenter.com

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The Hazelden Graduate School of Addiction Studies
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15245 Pleasant Valley Road
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Center City, MN 55012
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Herzing College, Lakeland Medical/Dental Academy Division & Minneapolis Drafting School Division #011017
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High-Tech Institute #015988
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Minneapolis, MN 55401
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15 South 9th Street
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Jeane Thorne Career Training Center
(507) 625-8800
12 Civic Center Plaza, Suite 2088
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Midwest Career Institute
(612) 588-9410
4350 Fremont Avenue North
Minneapolis, MN 55412

Minneapolis Business College #004645
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Minneapolis School of Massage & Body Work #034734
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Minnesota School of Cosmetology #015752
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Minnesota School of Business, Plymouth #017145
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Assistance
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MusicTech College #030012

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NAES College, Twin Cities #016088

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NTI School of CAD Technology #008267

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Rita's Moorhead Beauty College #017055

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Scot Lewis School, Bloomington #009870

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Summit Academy Opportunities Industrialization Center #015950

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Universal Academy of Animal Arts

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81 East Little Canada Road
Little Canada, MN 551171

Student Rights and Responsibilities

As a potential post-secondary student and possible applicant for student financial aid, you should be aware of your rights and responsibilities.

Before selecting a school, you should have information about the school's academic programs,

facilities, dropout rates, full cost of attendance, refund policies, and financial aid programs. The school is required to provide this information, but in some cases you may have to request it.

Student's Rights

- To expect professional service from a financial aid office.
- To know the cost of attending the school and the school's refund policy.
- To know the criteria used by the school to select financial aid recipients.
- To know how the school determines your financial need, and how much of your need the school will meet.
- To know how the school determines whether you are making satisfactory academic progress and what happens if you are not.
- To request an explanation of the parts of your financial aid package and request reconsideration if you believe you have been treated unfairly.
- To know what financial aid you must pay back and under what conditions.
- To know what information the school has to back up its advertised job placement rates.

Student's Responsibilities

- To complete application forms completely, clearly, and accurately.
- To read and understand all forms you are asked to sign and keep copies of them.
- To know and meet deadlines for application of aid.
- To accept responsibility for all agreements you sign.
- To return all financial information or documentation requested by the financial aid administrator or agency to which you submitted your application.
- To maintain satisfactory progress at your institution.
- To inform your school and/or the state of any changes in your enrollment status.
- To attend an exit interview at your school if you have a federal loan. The school informs you about the average amount borrowers owe, the amount of your monthly payment, and loan consolidation options.

www.mheso.state.mn.us

The Minnesota Higher Education Services Office web site helps students and families plan and pay for higher education.

Visit for free up-to-date information on how to prepare, save, and pay for post-secondary education!





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Contact the Minnesota Higher Education Services Office to receive any of the following free services.

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Presentations to organizations on financing post-secondary education. Schools, parent groups, community groups, church groups, children's groups, and other organizations can learn about financing a higher education for themselves or their children.

Focus on Financial Aid Summaries

A condensed brochure version of *Focus on Financial Aid* available in English, Spanish, Hmong, and Somali.

FuturePlan: Life After High School

An interactive CD-ROM to help students connect interests to careers, track academic progress, identify goals, and learn about higher education options and financial aid. Macintosh and PC compatible.

SELF Loan: Investing in Education

A brochure describing the Student Educational Loan Fund (SELF).

Is This a Good School?

A brochure to help students evaluate the quality of educational programs and schools.

For Adults...

A brochure for adults beginning or returning to school.

Get Ready for Your Child's Higher Education

A publication for parents on academic and financial planning for their children.

www.mheso.state.mn.us

Visit the Services Office web site to learn more about how to prepare and pay for education after high school. Be sure to visit our online financial aid estimator under *Paying for College*.

