



## USDE changes federal promissory note process

The U.S. Department of Education has changed part of its student loan process beginning with the 2020–21 award year, which begins July 1.

Under the new rules, students and parents who borrow Federal Direct and Federal PLUS loans must visit a page that tells them how much they currently owe in federal student loans. In addition, they must acknowledge that they have seen this amount before colleges can disburse any loan funds for each new award year.

The Informed Borrowing Confirmation process will be implemented on the [studentaid.gov](http://studentaid.gov) website as part of the Master Promissory Note process. Student and parent borrowers must sign the MPN, a promise to repay what they borrow, before they can receive a federal student loan.

## Avoid these common student financial aid mistakes

Many students spend more for college than they should by making some common mistakes when seeking financial aid. Students should follow these tips to make sure they get the help they need.

Some people don't bother to apply for financial aid because they don't think they'll qualify. But they should submit the FAFSA to find out if they're eligible for state and federal student aid programs. Not filing may hurt their chances of getting free money for college.

Another common mistake is waiting until the last minute to apply for financial aid. Some programs have deadlines, while others have limited funds.

Colleges send each student who has applied for student aid a financial aid package. Students and their families should look it over carefully. They should compare offers if they have received packages from more than one school to see which is the best deal. Of course, students should also consider other factors, such as whether a school offers the academic program a student wants or if it meets other expectations.

Students who need loans to help pay for college must be good consumers. Not all lenders offer the same rates and benefits. Borrowers should pay close attention to what lenders call the back-end benefits: the interest rate and principal reductions offered when repaying the loan.



## ACCS approves 5 new programs

Five new programs were approved by the Alabama Community College System at its Dec. 11 meeting. They are:

- Bevill State Community College — an associate's degree in welding, as well as certificate and associate's degree programs in advanced manufacturing for the spring 2020 semester.
- Shelton State Community College — certificate and associate's degree programs in advanced manufacturing for the fall 2020 semester.

In other business, the board approved its annual legislative agenda and budget request.

The board's agenda includes supporting legislation to create a statewide College Promise Scholarship program, funded by lottery proceeds. The system is also asking for an additional \$5 million for dual enrollment scholarships.

The ACCS board authorized funds for Lurleen B. Wallace Community College to purchase equipment and supplies for its automotive and welding programs for dual credit students from Luverne and Enterprise high schools.

## High school planner

### Seniors

#### January

- Make sure your applications were received on time.
- If you applied for Early Decision and were accepted, withdraw your applications from other schools.



## Scholarship Spotlight

### Automotive Workforce Training Scholarship

**Eligibility:** The applicant must:

- be a high school student or a student in a public Alabama 2-year college.
- be an Alabama resident.
- have at least a 2.5 GPA.
- major in automotive-related field at a public Alabama community or technical college.

In addition, the applicant must submit:

- an application
- an essay of no more than 500 words on why the student wants to work in Alabama's automotive industry.
- a signed reference letter.
- an unofficial college or high school transcript.
- a headshot photo.

**Award:** Varies

**Number:** 50

**Contact:** Apply through <https://dreamitdoitalabama.com/aama/>



## Knowing the differences between needs, wants helps students' finances

A big step to financial security is learning the difference between a need and a want. Students who learn that difference will find that their bank accounts grow more quickly.

Needs include clothes, food and, for many students, transportation.

With clothes, a want may mean wearing only designer items that cost more than clothes that last just as long and look just as good.

Students might want to eat a deluxe cheeseburger at a fast food restaurant every day, even though they can save money by making their own sandwich and brown-bagging it.

If a student needs a car, a want would be a new sports convertible instead of a reliable, used car with good gas mileage and less flash.

Before making a purchase, students should ask themselves if they can get by with a less expensive item — or without that item completely. They should save the money they don't spend so it's there when they really need something.

## Tips may help students when filing their taxes

Income tax season is approaching, and students may want to consider these tips to help the process go more smoothly.

Although students may not have earned enough to be required to file, they may be able to get a refund if their employer withheld taxes from their pay. Before they file, however, they should discuss the situation with their parents. If parents can claim the student as a dependent, the parents could save thousands of dollars. Nearly all high school students will be considered dependents for tax purposes.

Students and parents may be able to take advantage of these programs on their federal taxes:

- **American Opportunity Credit**, available for the first four years of college.
- **Lifetime Learning Credit**, available if a taxpayer or a dependent is taking college courses to acquire or improve job skills.
- **Tuition and fees deduction**, which lets taxpayers deduct qualified education expenses paid during the year for themselves or a dependent. The expenses must be for college.
- **Student loan interest deduction**, which lets people deduct up to \$2,500 per year on federal taxes for interest paid on federal student loans.

For more detailed information about federal programs, go to [www.irs.gov](http://www.irs.gov) to download the free Publication 970 Tax Benefits for Education.

Tax rules may change from year to year, so taxpayers should make sure they have the most up-to-date information before filing.