

June 2022

# Counselor *Connection*



KHEAA publishes the *Counselor Connection* to share information about student financial aid, college preparation and college planning. Comments and suggestions are always welcome. Please send them to [publications@kheaa.com](mailto:publications@kheaa.com).



**KHEAA–Alabama**  
PO Box 798, Frankfort, KY 40602-0798  
800-928-8926  
[www.alstudentaid.com](http://www.alstudentaid.com)  
[publications@kheaa.com](mailto:publications@kheaa.com)



## State ranks first in increase in number of FAFSA filings

Alabama was ranked number one in the country in terms of year-over-year improvement in Free Application for Federal Student Aid (FAFSA) completions.

“That is exciting news for the state,” said Alabama Commission on Higher Education Executive Director Jim Purcell, emphasizing the efforts that have been made to increase FAFSA completions across the state. “Many of our high school graduates wanting to attend college may qualify for Federal Pell Grants, but the first step is completing the FAFSA.”

The Alabama State Board of Education passed a resolution last year requiring 2022 high school graduates to complete the federal form. Alabama’s Class of 2021 left about \$67.8 million in unclaimed Pell Grant money on the table.

That law meant that the number of Alabama students who filed the FAFSA increased by 30.4 percent over the previous school year. Overall, 56.7 percent of Alabama seniors completed the form, putting the state at number seven nationwide in that metric.

## Not sure about plans after high school? File the FAFSA

Students who aren’t sure if they want to get technical training or go to college should consider filing the Free Application for Federal Student Aid, or FAFSA. That’s true even if they want to sit out the fall semester.

The FAFSA will tell them how much federal and state financial aid they can expect if they do decide to further their education.

The best way to file the FAFSA is online at <https://studentaid.gov/h/apply-for-aid/fafsa>. Students who haven’t set up an account yet must first set up an account at <https://studentaid.gov/>.

The FAFSA will ask students to provide information about their income and assets. If they’re considered dependent students — as nearly all recent high school graduates are — their parents must also provide income and asset information for the FAFSA.

Students must file the FAFSA to qualify for such programs as Federal Pell Grants, Federal Direct Loans and Federal Work-Study. The form is also used to apply for many Alabama scholarship and grant programs and for many financial aid programs administered by colleges and trade schools.

## FAFSA app being discontinued

The U.S. Department of Education will no longer provide its app for filing the Free Application for Federal Student Aid (FAFSA). The last day the app can be used is June 30.

## Follow these three tips to help find financial aid

As students make their plans for beginning or continuing their postsecondary education, they should try to get all the financial aid they can. To make sure they do so, they need to apply for that aid on a timely basis. Every scholarship or grant they receive will reduce their dependence on student loans.

Here are three tips for finding financial aid:

- File the Free Application for Federal Student Aid (FAFSA) as soon as possible beginning Oct. 1. You must submit the FAFSA to qualify for most state and federal student aid.
- Check with the financial aid offices of the schools to which you’ve applied to determine if they require any forms other than the FAFSA.
- Attend any college fairs and financial aid seminars offered in your area. If a company charges a fee for helping with applications, remember that you can do that yourself for free. If you decide to pay for help, make sure the company is reputable by checking with the attorney general’s office or the Better Business Bureau in your area, as well as the area where the firm is located.



# Private student loans may fill the financial aid gap

Many students attending colleges and technical schools will qualify for financial aid. However, some students may find that grants, scholarships and federal loans don't cover all their educational costs.

Students who go to school less than half time generally don't qualify for state or federal financial aid programs.

Private education loans can help students whose financial aid doesn't cover all their costs or students who don't qualify for financial aid.

Because interest rates on private loans depend on the borrower's credit rating, students may have to pay higher rates than they would on federal loans. Many lenders require students to have a cosigner and require the colleges to certify that students need a loan.

Students and parents should compare private loans offered by various lenders to find the best possible deal. They should consider the Advantage Education Loan, offered by KHESLC.

An Advantage Education Loan is especially attractive when compared with a Federal PLUS Loan for parents and for graduate and professional students.

The interest rate on PLUS Loans for the 2022–2023 academic year is 7.54 percent. In addition, PLUS Loan borrowers will have a 4.228 percent origination fee. On a \$10,000 loan, the student will receive only \$9,577.20

The highest interest rate on Advantage Loans is 6.48 percent, and KHESLC charges no origination fees. The student will get the entire \$10,000 and pay less interest over the life of the loan.

Visit [advantageeducationloan.com](https://advantageeducationloan.com) for more information about Advantage Education Loans

Two people each borrow \$20,000 over 60 months to buy cars. One has a 760 credit score and gets a 4.5% interest rate. The other has a 640 credit score and pays 7.5% interest. See who pays more interest over the life of the loan.



## Students should become familiar with credit scores

Students should understand how their credit score will affect their lifestyle.

Although there are several scoring methods, the most widely accepted one comes from FICO. Your FICO score ranges from 300 to 850. These items make up your FICO score:

- 35 percent is based on your payment history. Early payments will have a higher number than on-time payments, which will have a higher score than late payments.
- 30 percent is based on outstanding debt. This outstanding debt is how much you owe on loans, mortgages, credit cards, etc. Having a lot of credit cards can hurt your score, especially if you're near your borrowing limit.
- 15 percent is based on the length of time you have had credit. The longer you have been borrowing and making payments on time, the better your score.
- 10 percent is based on new credit. Opening several new accounts will have a negative effect on your score. Also, the more inquiries you have on your credit report in a year, the lower your score will be.
- 10 percent is based on the types of credit you currently have. It helps to have a mix of loan types. If you have a credit card, an installment loan will even out the credit.

## KHEAA schedules social media sessions for July and August

KHEAA Outreach has scheduled Facebook and Twitter events for June through August.

The schedule is:

**July 5:** Summer Blast: College Choice Hot List, **Facebook**

**July 18:** Summer Blast: Cooling Off on Campus, **Twitter**

**Aug. 1:** Beating the Heat: Gearing Up for Fall, **Facebook**

**Aug. 15:** Beating the Heat: No Stress Seniors **Twitter**

All sessions begin at 2 p.m. Central.

The links are:

[www.facebook.com/KHEAA/](https://www.facebook.com/KHEAA/)

[www.twitter.com/KHEAA/](https://www.twitter.com/KHEAA/)

## Counselor newsletter will no longer be distributed

Many years ago the Kentucky Higher Education Assistance Authority (KHEAA) was asked to fill the role of guaranty or insurance agency for the state of Alabama under the Federal Family Education Loan Program. In doing so, we were happy to provide students and families, stakeholders, and college access professionals with various college access, financial literacy, and student financial aid resources, including this Counselor Connection newsletter.

Since then our role in the student loan industry has changed, and KHEAA continues to adapt to the necessary and vitally important work of removing barriers to postsecondary education. While we will continue to point audiences throughout the United States to the valuable resources at [kheaa.com](https://kheaa.com), this will be the last and final newsletter specifically tailored for Alabama.

We appreciate your readership and continued commitment to higher education.

Sincerely,

Diana L. Barber

Interim Executive Director/General Counsel

KHEAA



## Admissions essay may also result in more financial aid

Some colleges require high school seniors to submit an essay as part of the admissions process. That essay may also help when it comes to paying for college.

The quality and thoughtfulness of a college admissions essay can play an important part in a student's acceptance to their preferred school. Students should take the extra time to proofread and revise their essay several times, if necessary, and have a teacher, school counselor or parent review the essay before they submit it.

Essays help schools learn more about students by giving them a chance to set themselves apart from other applicants. The more exclusive the college, the more important the essay may be in admissions decisions. An essay that stands out from the rest may make the school want a student enough to offer more financial aid.

Some schools let students submit nontraditional essays such as poems, song lyrics or videos, which allow students to display their creativity. Students should confirm with the school that nontraditional essays will be accepted before they submit one.

## ACT National Test Dates

Test Date	Registration Deadline	Late Registration
<b>Sept. 10, 2022</b>	<b>Aug. 5, 2022</b>	<b>Aug. 19, 2022</b>
<b>Oct. 22, 2022</b>	<b>Sept. 16, 2022</b>	<b>Sept. 30, 2022</b>
<b>Dec. 10, 2022</b>	<b>Nov. 4, 2022</b>	<b>Nov. 11, 2022</b>
<b>Feb. 11, 2023</b>	<b>Jan. 6, 2023</b>	<b>Jan. 20, 2023</b>
<b>April 15, 2023</b>	<b>March 10, 2023</b>	<b>March 24, 2023</b>
<b>June 10, 2023</b>	<b>May 5, 2023</b>	<b>May 19, 2023</b>
<b>July 15, 2023</b>	<b>June 16, 2023</b>	<b>June 23, 2023</b>

## SAT National Test Dates

<b>Aug. 27, 2022</b>	<b>July 29, 2022</b>	<b>Aug. 16, 2022</b>
<b>Oct. 1, 2022</b>	<b>Sept. 2, 2022</b>	<b>Sept. 20, 2022</b>
<b>Nov. 5, 2022</b>	<b>Oct. 7, 2022</b>	<b>Oct. 10, 2022</b>
<b>Dec. 3, 2022</b>	<b>Nov. 3, 2022</b>	<b>Nov. 22, 2022</b>
<b>March 11, 2023</b>	<b>Feb. 10, 2023</b>	<b>Feb. 28, 2023</b>
<b>May 6, 2023</b>	<b>April 7, 2023</b>	<b>April 25, 2023</b>
<b>June 3, 2023</b>	<b>May 4, 2023</b>	<b>May 23, 2023</b>

