Major financial aid programs

This section lists the major state and federal student aid programs available to Kentuckians. The application for many of these is the FAFSA. Some programs may have changed since Getting In went to press. For the most up-to-date information, check with your school counselor or a college financial aid officer. For more information about KHEAA programs, call 800.928.8926 or visit www.kheaa.com. KHEAA awards millions of dollars each year to thousands of Kentucky students. KHEAA programs are marked with the agency’s logo. These programs are subject to change. Please check www.kheaa.com for the latest information.

### Grants

**Chafee Independent Program Education Training Voucher**

**Eligibility:** Students between 18 and 26 who left the Kentucky foster care system at or after age 18 or who were adopted from the Kentucky foster care system at or after age 16. Students must apply for the benefit prior to their 21st birthday. Students who are receiving the benefit on their 21st birthday are eligible to continue receiving the voucher until their 23rd birthday. Students must be in good standing, either part time or full time, in a postsecondary educational program or be making satisfactory progress toward completion of a job training program. Can be used for any expenses directly related to an educational or job training program not covered by other resources.

**Award:** Up to $5,000 per year

**Application:** Chafee Independence Program, 275 East Main Street, Mail Stop 3E-D, Frankfort, KY 40621; 502.564.2147 or 800.232.5437; or chafee.ILP@ky.gov.

**College Access Program (CAP) Grant**

**Eligibility:** Financially needy undergraduate Kentucky residents enrolled in an eligible school for at least 6 semester hours or equivalent quarter hours in an eligible course of study.

**Award:** Up to $2,000 per year for full-time students. Part-time students receive $83 per credit hour or $56 per quarter hour. (CAP Grants are funded by Kentucky Lottery revenue.)

**Application:** FAFSA

**Federal Pell Grant**

**Eligibility:** Undergraduates who hold no bachelor’s, first professional or higher degree, have need and are U.S. citizens or eligible noncitizens enrolled in an eligible school. Students in a postbaccalaureate teacher program may also be eligible.

**Award:** Up to $6,095 per year

**Application:** FAFSA

### Federal Supplemental Educational Opportunity Grant

**Eligibility:** Undergraduates who hold no bachelor’s, first professional or higher degree, have exceptional need and are U.S. citizens or eligible noncitizens enrolled in an eligible school.

**Award:** Up to $4,000 per year

**Application:** FAFSA. Deadline set by the school.

### Iraq and Afghanistan Service Grant

**Eligibility:** Students who are not Pell-eligible; whose parent or guardian died as a result of military service in Iraq or Afghanistan after September 11, 2001; and who, at the time of parent’s or guardian’s death, were less than 24 years old or were enrolled at least part time at an institution of higher education.

**Award:** Up to $5,920 per year

**Application:** FAFSA

### Kentucky Tuition Grant (KTG)

**Eligibility:** Financially needy Kentucky residents enrolled full time at an eligible Kentucky private college.

**Award:** Up to $3,000 per year (KTG awards are funded by Kentucky Lottery revenue.)

**Application:** FAFSA

### Vocational Rehabilitation Assistance

**Eligibility:** Must have a physical or mental condition that creates an impediment to employment; be able to benefit in terms of employment; require services to prepare for, gain or maintain employment; demonstrate academic aptitude; and meet order of selection criteria.

**Award:** Based on economic need test

**Application:** Write to the Kentucky Office of Vocational Rehabilitation, 275 East Main Street, Mail Drop 2-EK, Frankfort, KY 40621; call 800.372.7172; or visit http://ovr.ky.gov/.
Scholarships

**Dual Credit Scholarship**

**Eligibility:** Kentucky public or private high school or home schooled students in grades 11 or 12 enrolled or approved for enrollment in an approved dual credit class at a participating Kentucky college. Students must complete a 30-minute college success counseling session each year a scholarship is awarded.

**Award:** Equal to dual credit class amount charged by the participating college or university. Limited to 2 dual credit classes.

**Application:** Information is submitted through a student’s high school. Home school students must submit the dual credit scholarship application found at kheaa.com.

**Contact:** KHEAA at 800.928.8926

**Early Childhood Development Scholarship**

**Eligibility:** Kentucky residents and U.S. citizens, national or permanent residents working at least 20 hours weekly in a participating early childhood facility. Must pursue an approved early childhood program and not enroll in more than 9 credit hours per term. Students with access to professional development funds from other educational programs (such as Head Start) are not eligible. Recipients cannot have any unpaid financial obligations to KHEAA or any other Title IV program and must agree to a service commitment.

**Award:** Tuition, not to exceed $1,800 per award year (July 1–June 30).

**Application:** FAFSA and the Early Childhood Development Scholarship application. The application can be found by signing in to your account on www.kheaa.com. Application deadlines: fall, July 15; spring, November 15; summer, April 15.

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**Kentucky Educational Excellence Scholarship (KEES)**

**Eligibility:** Kentucky residents who earn at least a 2.5 GPA at the end of a high school year in an approved curriculum, plan to attend a participating college and are not convicted felons. Students pursuing a degree in a program not available in Kentucky may be able to use a KEES award to attend an out-of-state college if approved for participation in the Academic Common Market. Students who maintain Kentucky residency while in an approved foreign educational exchange program or the U.S. Senate Page School or whose parents maintain Kentucky residency while in the U.S. armed forces can also earn KEES awards.

**Award:** Students at certified high schools earn scholarships based on their GPA for each year of high school. Bonus awards may be earned by scoring well on ACT or SAT exams prior to graduation.

<table>
<thead>
<tr>
<th>KEES Award Amounts</th>
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<tbody>
<tr>
<td><strong>GPA</strong></td>
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<tr>
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<td>2.50</td>
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</tbody>
</table>

**Amounts are subject to change based on funding.**

Students who are eligible for free or reduced-price lunch during any year of high school may earn additional KEES by making qualifying scores on Advanced Placement (AP), International Baccalaureate (IB) or Cambridge Advanced
International (CAI) exams. The chart below shows the amounts that will be awarded for each score. There is no limit to the number of AP/IB/CAI bonus awards a student can receive.

<table>
<thead>
<tr>
<th>AP Exam Score</th>
<th>IB Exam Score</th>
<th>CAI Exam Score</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>7</td>
<td>a*, a, b</td>
<td>$300</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>c, d</td>
<td>$250</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>e</td>
<td>$200</td>
</tr>
</tbody>
</table>

Graduates of non-certified high schools and GED graduates earn awards based on ACT composite score. Your award is adjusted if you fall below full-time student status. You must earn at least a 2.5 cumulative GPA your first year of college and then have an overall 3.0 cumulative GPA to keep your full KEES award. If your cumulative GPA drops below a 3.0 anytime after your second year of college, your KEES renewal amount will be based on your progress toward meeting your college’s graduation requirements as well as your grades. (KEES awards are funded by Kentucky Lottery revenue.)

**Application:** None

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**Work Ready Kentucky Scholarship**

**Eligibility:** Kentucky residents pursuing approved industry-recognized certificates or associate’s degrees. Must be U.S. citizens or permanent residents; be high school or GED graduates; have not earned an associate’s or higher degree; and be enrolled, or accepted for enrollment, at an eligible Kentucky college or university in an approved program of study in a high-demand workforce area. Qualifying workforce areas may change each year. Recipients must maintain satisfactory academic progress once the scholarship is received to be eligible the following semester.

**Award:** Tuition minus federal and state grants and scholarships, not to exceed the in-state tuition and fees for full-time enrollment at the Kentucky Community and Technical College System.

**Application:** Available at www.kheaa.com. For more information, call KHEAA at 800.928.8926.

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**Adopted and Foster Children**

**Eligibility:** KRS 164.2847—Kentucky students whose families received state-funded adoption assistance under KRS 199.555, who are currently placed in foster care by the Cabinet for Health and Family Services or the Department of Juvenile Justice, who are in an independent living program funded by the cabinet or Department of Community Based Services, who were in the permanent legal custody of and placed for adoption by the cabinet, who were in the custody of the Cabinet for Health and Family Services on their 18th birthday or who were committed to the Department of Juvenile Justice and meet criteria outlined in KRS 164.2847 (2). Must enter college or vocational school no more than four years after graduating from high school. Available to part-time and full-time undergraduate students. Out-of-state students meeting eligibility requirements at time of application to a Kentucky school may apply for a waiver of up to the cost of in-state tuition.

**Award:** Up to tuition and mandatory student fee waiver at any public postsecondary school for up to five years if satisfactory progress is maintained.

**Application:** Financial aid office or Chafee Independence Program, 275 East Main Street, 3E-D, Frankfort, KY 40621, telephone 800.232.5437 or email chafee.ILP@ky.gov. Application deadlines: fall, July 1; spring, December 1.

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**Dependents of Deceased Employees Participating in State-Administered Retirement Systems**

**Eligibility:** KRS 164.2841—The child or nonremarried spouse of an employee participating in a state-administered retirement system who died of a duty-related injury. Must provide proof of relationship and proof that the death was duty related.

**Award:** Waiver of any enrollment or tuition fees at state-supported school.

**Application:** Financial aid office

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**Waivers**

For more information, visit www.lrc.state.ky.us. In this section “school” includes state-supported colleges, universities and vocational schools.
Dependents of Disabled Employees Participating in State-Administered Retirement Systems

Eligibility: KRS 164.2842 — The spouse or the child (over age 17 and under age 23) of an employee participating in a state-administered retirement system who was disabled due to a duty-related injury. Must provide proof of relationship and proof that the disability was duty related.

Award: Waiver of any enrollment or tuition fees at state-supported school for no more than 36 months.

Application: Financial aid office

Dependents of Deceased or Disabled Kentucky Law Enforcement Officers and Firefighters

Eligibility: KRS 164.2841 — The child or nonremarried spouse of someone who was a Kentucky resident on becoming a law enforcement officer, firefighter or volunteer firefighter and who was killed while in active service or training for active service or who died as a result of a service-connected disability after June 30, 1989. Recipient must be enrolled in a state-supported school and provide proof of relationship and the circumstances of death.

Award: Full tuition and enrollment fees. This award can be used in addition to other scholarships. Any balance left from a scholarship may be applied toward incidental expenses and/or may be returned to the recipient. This award does not cover books and incidental expenses.

Eligibility: KRS 164.2842 — The spouse, regardless of age, or child (over age 17 and under age 23) of a permanently and totally disabled law enforcement officer, firefighter or volunteer firefighter who was injured while in active service or in training for active service while a resident of Kentucky, regardless of when the disability occurred. Must be enrolled in a state-supported school and provide proof of relationship and the qualifying disability.

Award: Full tuition and enrollment fees for up to 36 months. This award does not cover books and incidental expenses.

Application: Financial aid office

Dependents of Deceased or Totally Disabled Kentucky Veterans

Eligibility: KRS 164.505 — The child, stepchild or nonremarried spouse of a service member who was a Kentucky resident when he or she entered military service and who was killed while in service or died of a service-connected disability. Student must provide documentation of relationship and documentation showing the parent’s or spouse’s military service and cause of death. If the student also receives a scholarship payable to the school, the scholarship must be applied to incidental expenses and any balance returned to the student if the terms of the scholarship allow.

KRS 164.507 — The child or stepchild under the age of 26 or the nonremarried spouse of a deceased veteran who was a resident of Kentucky or married to a resident of Kentucky at the time of death and who served in the U.S. Armed Forces during a national emergency, war declared by Congress or action of the United Nations or who was killed on active duty or died of a service-connected disability acquired while on active duty. Student must provide documentation of relationship and documentation showing the parent’s or spouse’s military service and cause of death. A stepchild must have been a member of the veteran’s household when the veteran died. If the student also receives a scholarship payable to the school, the scholarship must be applied to incidental expenses and any balance returned to the student if the terms of the scholarship allow.

KRS 164.512 — Must be the disabled child of a veteran and have become disabled as a direct result of the veteran’s service. The child claiming benefits must have acquired a disability determined by the U.S. Veterans Administration as compensable. Must document the parent-child relationship. A member of the National Guard or Reserve must have served on state active duty, active duty for training or inactive duty training or a veteran must have served on active duty with the Armed Forces of the United States, and the discharge must have been under honorable conditions. The veteran must be a resident or, if deceased, must have been a resident of Kentucky.

KRS 164.515 — Must be the child or stepchild under the age of 26 or the spouse of a permanently and totally disabled member of the Kentucky National Guard or Reserve injured while on state active duty, active duty for training or inactive duty training; or a permanently and totally disabled war veteran; or a 100 percent service-connected disabled veteran regardless of wartime service; or prisoner of war or member of the Armed Services declared missing in action. A living veteran must be rated permanently and totally disabled for pension purposes or 100 percent disabled for compensation purposes by the U.S. Veterans Administration or the Department of Defense. If the veteran is deceased,
the claim is based on the rating held by the veteran at the
time of death. A service member must have been declared
a prisoner of war or missing in action by the Department of
Defense for a child, stepchild or spouse to qualify. Members
of the Kentucky National Guard must be rated permanently
and totally disabled as provided in KRS Chapter 342. Must
document the parent’s, stepparent’s or spouse’s service and
rating. Kentucky residency is required for both the student
and the veteran (living or deceased).
Award: Tuition waiver at any state-supported school.
Application: Contact the Veterans Affairs Office of the school
you plan to attend or visit www.veterans.ky.gov for the
application that must be submitted via fax or mail to Tuition
Waiver Coordinator, Kentucky Department of Veterans
Affairs, 321 West Main Street, Suite 390, Louisville, KY
40202; fax 502.595.3369, call 502.595.4447 or toll free
800.928.4012.

Conversion Scholarships/Loans

Energy and Environment
Cabinet Scholarship
Eligibility: Students enrolled in a Kentucky public university
at the junior, senior or postgraduate level and pursuing
a course of study of critical need to the Department for
Environmental Protection. Must work full time for the
department after completing the degree.
Award: Varies. Based on in-state tuition and mandatory fees,
room and board and book allowance
Application: For applications or more information, email Jim
Kipp at the Kentucky Water Resource Institute
jim.kipp@uky.edu. Application deadline, February 15.

Federal TEACH Grant
Eligibility: Undergraduate, postbaccalaureate or graduate
students in a teacher education program. Must have at
least a 3.25 GPA or score above the 75th percentile on an
undergraduate or graduate admissions test. Must teach full
time for four years in a high-need field in an elementary or
secondary school that serves low-income students. Teaching
service must be completed within eight years of completing
the teacher education program. If a recipient does not
fulfill the teaching requirement, the grant converts to an
unsubsidized Direct Loan.
Award: Undergraduate/postbaccalaureate, up to $16,000
($4,000 a year); graduate, up to $8,000.
Application: FAFSA and a service agreement that includes a
promise to repay the grant if the recipient fails to complete
the service obligation.

Kentucky Nursing Incentive Scholarship
Eligibility: Kentucky residents admitted to an approved
nursing program who agree to work full time as nurses in
Kentucky one year for each year funded. For prelicensure
nursing programs, students must complete at least 15 credit
hours per academic year of published nursing program
requirements. For the graduate nursing program, students
must complete at least 9 credit hours per academic year of
core nursing courses required. Must maintain a minimum
GPA. Scholarship must be repaid if program or work
requirement is not met.
Award: Varies
Application: Write Kentucky Board of Nursing, 312
Whittington Parkway, Suite 300, Louisville, KY 40222-
5172; or print from https://kbn.ky.gov/nis/Pages/default.
asp. Applications must be postmarked January 1 to June 1.

Kentucky Transportation Cabinet Civil
Engineering Scholarship
Eligibility: Kentucky residents or high school graduates
with at least a 24 ACT who plan to attend the University
of Kentucky, University of Louisville, Kentucky State
University, Western Kentucky University or any Kentucky
Community and Technical College System school. Must
pursue a degree in civil engineering and agree to work for
the Kentucky Transportation Cabinet upon graduation, one
year for each year on scholarship.
Award: Semester stipends (freshmen/sophomores, $6,200
gross; juniors/seniors, $6,600 gross) and possible summer
employment.
Application: School’s engineering or pre-engineering
department, http://transportation.ky.gov/Education/Pages/
Civil-Engineering-Scholarship.aspx or Cherie Mertz, Office
of Human Resource Management, Kentucky Transportation
Cabinet, 200 Mero Street, Frankfort, KY 40622,
502.564.4610 or cherie.mertz@ky.gov. Application deadline
is February 1.
Osteopathic Medicine Scholarship

Eligibility: Kentucky residents accepted into the Kentucky College of Osteopathic Medicine. A recipient who does not fulfill requirements must repay the scholarship plus interest.

Award: Equal to the difference between the average amount charged for in-state tuition at the state medical schools and that charged at Kentucky College of Osteopathic Medicine.

Application: Write to Teresa Jones, Financial Aid, Kentucky College of Osteopathic Medicine, 147 Sycamore Street, Pikeville, KY 41501 or call 606.218.5407. Application deadline is July 1.

Loans

Federal Direct Loan

Eligibility: U.S. citizens or eligible noncitizens enrolled or accepted for enrollment at least half time in an eligible certificate or degree program at an eligible school. You must show financial need for a subsidized loan but not for an unsubsidized loan.

Award: The loan amount for an academic period cannot exceed the cost of attendance (as determined by the school) minus your estimated financial assistance and, if the loan is subsidized, EFC. The amount can’t exceed the loan limits for an academic year based on your dependency status and grade level. The interest rate on Direct Loans is set each year. Undergraduate students may be eligible for both subsidized and unsubsidized loans. Graduate and professional students may only receive unsubsidized loans. The government pays the interest on a subsidized loan until you begin repayment. You can pay the interest on an unsubsidized loan while you are in school or have it added to the principal.

Loan limits when *Getting In* went to press were:

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<th>Grade Level</th>
<th>Dependent Status</th>
<th>Independent Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year</td>
<td>$5,500</td>
<td>$ 9,500</td>
</tr>
<tr>
<td>Second Year</td>
<td>$6,500</td>
<td>$10,500</td>
</tr>
<tr>
<td>Each Remaining Year of Undergraduate Study</td>
<td>$7,500</td>
<td>$12,500</td>
</tr>
<tr>
<td>Each Year of Graduate Professional Study</td>
<td>N/A</td>
<td>$20,500</td>
</tr>
</tbody>
</table>

Application: FAFSA and the Federal Direct Loan Master Promissory Note (MPN). Contact the schools to which you are applying to see if they prefer an electronic or paper MPN.

Federal PLUS Loan

Eligibility: Parents or stepparents of dependent undergraduate students enrolled or accepted for enrollment at least half time in an eligible program at an eligible school. Graduate and professional students may also borrow PLUS Loans. Cannot have an adverse credit history.

Award: The maximum amount equals the cost of education minus other financial aid received. The interest rate is set each year.

Application: FAFSA and PLUS Loan application. For a PLUS Loan application, visit www.studentloans.gov.

Nursing Student Loan

Eligibility: U.S. citizens, permanent residents or eligible noncitizens enrolled at least half time in a nursing program at a participating school and having financial need.

Award: Varies by school based on need, year of enrollment and available funds; 5 percent interest rate.


Primary Care Loan

Eligibility: U.S. citizens, permanent residents or eligible non-citizens who are enrolled in a college of allopathic or osteopathic medicine, have financial need and agree to enter and complete residency training in primary care within four years after graduation (including three-year residency program) and practice in primary care for the life of the loan.

Awards: Varies by school. Based on need and funding. The maximum award cannot exceed the cost of attendance for first- and second-year students. Depending on funding, third- and fourth-year students may receive larger awards. The interest rate is 5 percent. If the student fails to enter and complete a residency in primary health care, the interest rate will become 18 percent at the date of noncompliance.

Application: Financial aid office. Deadline set by school. For more information, visit www.hrsa.gov/loanscholarships/loans/primarycare.html

Work-Study

Federal Work-Study

Eligibility: Students who have need and are U.S. citizens or eligible noncitizens enrolled in an eligible school pursuing a degree or certificate.

Award: Students must be paid at least the current federal minimum wage. Maximum earnings cannot exceed total cost of education minus other financial aid received.

Application: FAFSA. Deadline set by the school.
Military Benefits

Most branches of the military offer some type of tuition assistance that lets active duty members take courses at civilian colleges during their off-duty hours. In addition, military training while on active duty can sometimes count toward college credit. After they finish active duty, veterans can take advantage of the Montgomery GI Bill to attend college. Local Armed Forces recruiting offices can provide detailed information about educational opportunities through the military.

**Federal Tuition Assistance**

**Eligibility:** Active duty members of the Air Force, Army, Coast Guard, Marines, National Guard, Navy or Reserves. Each branch of the service may have different eligibility criteria.

**Award:** Tuition up to $250 per semester hour not to exceed 16 hours per fiscal year.

**Application:** Contact your unit education officer. Kentucky National Guard members should contact SGT Stephanie Williams at 502.607.1550 or SFC Jessica Peel at 502.607.1307 for more information.

**Montgomery GI Bill**

**Eligibility:** Must be a member of the Army, Navy, Air Force, Marines or Coast Guard Selected Reserve or of the Army or Air National Guard; have a six-year service obligation; have completed initial active duty for training; and have a high school diploma or GED.

**Award:** Up to $362 each month, for up to 36 months, depending on type of training.

**Application:** Financial aid office or http://www.benefits.va.gov/gibill/. Kentucky National Guard members should contact SGT Matt Boone at 502.607.1138 or SFC Jessica Peel at 502.607.1307 for more information.

**Kickers**

**Eligibility:** Must be receiving benefits through the Montgomery GI Bill (Active Duty), Montgomery GI Bill (Selected Reserve), Reserve Education Assistance Program or Post-Vietnam Era Veterans Educational Assistance Program. Eligibility may be based on service in a critical unit or having a critical job skill.

**Award:** Amount varies depending on the program from which service member is receiving benefits.

**Application:** Financial aid office or http://www.benefits.va.gov/gibill/. Kentucky National Guard members should contact SGT Matt Boone at 502.607.1138 or SFC Jessica Peel at 502.607.1307 for more information.

**Kentucky National Guard Tuition Award**

**Eligibility:** Active members of the Kentucky National Guard. Members must maintain all minimum standards, be eligible for all positive personnel actions and have completed basic training or its equivalent.

**Award:** Up to or equal to the in-state tuition at any Kentucky public university, college or technical school based on availability of funds.

**Application:** Must apply online at https://ky.ngb.army.mil/ tuitionstudent/frmLogin.aspx. Contact Bryan Combs at 502.607.1916 or bryan.c.combs.civ@mail.mil for more information.

**Reserve Officers Training Corps (ROTC) Scholarships**

**Air Force ROTC**

**Eligibility:** High school seniors or graduates. Students pursuing technical degrees are targeted. Based on merit. Four-year scholarships may be lengthened to five years for certain majors. The Air Force also offers scholarships to students already in college. These scholarships cover one to three years of a bachelor’s degree program.

**Award:** Varies.

**Application:** Contact the Department of Aerospace Studies at your school. For more information, call 866.4AFROTC; write to HQ AFROTC/DOR, 551 East Maxwell Boulevard, Maxwell AFB, AL 36112-6106; or visit https://www.afrotc.com/.

**Army ROTC**

**Eligibility:** Entering freshmen who have at least a 920 SAT or 19 ACT composite score; have at least a 2.5 high school GPA; and participate in leadership, extracurricular and athletic activities.

**Award:** Full tuition and on-campus education fees; an additional allowance for textbooks, supplies and equipment and up to $5,000 per year in spending money.

**Application:** Contact the Military Science Department of your school; call toll free 1.800.750.ROTC (7682); or visit https://www.goarmy.com/rotc.html.
Naval ROTC
National Scholarship

Eligibility: U.S. citizens at least 17 years old by September 1 of the year starting college and less than 23 on December 31 of that year. Must not have reached 27th birthday by December 31 of year in which graduation and commissioning are anticipated. Applicants with previous active duty service may be eligible for age waivers. The minimum SAT scores for the Navy option are 520 math and 530 critical reading. The minimum ACT scores are 21 math and 22 English. The minimum SAT scores for Marine option is a composite score of 1000. The minimum ACT score for Marine option are a composite score of 22. Must meet physical requirements.

Award: Tuition, fees, book allowance, uniforms and a monthly allowance.

Application: Contact your local Navy Recruiter; call 1.800.USA.NA V Y or 1.800.NAV.ROTC; email PNSC_NROTC_CGO@navy.mil; or visit https://www.nrotc.navy.mil. Deadline is January 31.

Two- and Three-Year Scholarships

Eligibility: U.S. citizens at least 17 years of age and under 27 years of age on December 31 of the year they expect to graduate and complete NROTC training requirements. Applicants with prior active duty service may be eligible for a waiver. Must be a college freshman or sophomore with at least a 2.5 GPA. Must meet physical requirements for the NROTC Program.

Award: Tuition, fees, book allowance, uniforms and monthly allowance.

Application: Contact nearest NROTC unit or call 1.800.NAV.ROTC, ext. 2.9380, 2.9381 or 2.9563. For more details visit http://www.nrotc.navy.mil/scholarships.html. Deadline is May 31 of the freshman or sophomore year of college.

Segal AmeriCorps Education Award

Eligibility: U.S. citizens or permanent resident aliens age 18 or older who perform national community service before, during or after college.

Award: Up to $5,815 for each year of service (up to two awards) to pay current or future education expenses or repay federal student loans. If the member is 55 years or older, the award can be transferred to a child or grandchild. Must be used within seven years.

Application: Contact the Corporation for National and Community Service, 1201 New York Avenue, NW, Washington, DC 20525; call toll free 800.942.2677; or apply online at http://www.americorps.gov/.

Kentucky Education Savings Plan Trust

Description: Helps families save for a relative’s education. Deposits can be as small as $15 if made through payroll deduction. The KY Saves 529 plan offers investment options designed to help families meet future education costs (including K–12 tuition). Account earnings are exempt from Kentucky taxes, and any withdrawal used for qualified education expenses is free from federal income taxes. Account savings can be used for any qualified expense.

Information: For more information, call toll free 877.KY TRUST (877.598.7878) or visit www.kysaves.com.
Student loan tips

You should research all other means of financial aid before taking out a student loan. Don’t forget that a student loan has to be repaid, whether you finish your education or like the school or program you’ve started. You’re taking on a commitment that will help improve your future but that also requires you to be responsible. By making your payments on time, you’re establishing yourself as a good credit risk. This will help you later in life when you need to borrow money for another purpose, whether it’s buying a car, furniture or home. Here are some tips that will help you to borrow wisely.

Tip 1: Contact the school you plan to attend

Find out what other financial aid you qualify for before applying for a student loan. Grants, scholarships and work-study usually don’t have to be repaid.

Ask the financial aid officer how much the total cost of attending school, including the estimated living expenses, is going to be. Know what the school’s refund policy is. Ask the financial aid officer or check the student handbook or class schedule to find out. Check with the school about entrance counseling. Schools must provide this before you receive your first Federal Direct Loan.

Tip 2: Check out the job you’re interested in

Find out the job opportunities in that field to make sure you can earn enough to pay back what you borrow as well as meet your living expenses. Defaulting on a student loan isn’t an option, even if you can’t find a job in the field you’ve trained for or if you don’t make as much money as you thought you would. Research before committing yourself to a job where you won’t earn enough money.

Tip 3: Find out about student loans before borrowing

Borrow only what you need. Remember, you have to repay your loan.

The interest rate on Direct Loans will vary each year. The chart shows the approximate monthly payments for various amounts at 5.05 percent interest. For a quick estimate of how much you will pay based on how much you have borrowed, the interest rate, and the repayment period, use the Loan Repayment Calculator at www.kheaa.com.
Tip 4: What happens after the first year?

Most financial aid programs have renewal requirements and some limitations such as:
• Showing satisfactory academic progress
• Requiring students to reapply each year.
• Limiting the total number of years aid can be received.

Before you transfer to another school, be sure to check on the status of your financial aid.

Tip 5: Now the fun part — repayment!

When you start making payments, think about paying a little extra — a few more dollars paid each month reduces the overall amount of interest you will pay over the life of the loan. If you pay an extra $10 each month, $120 a year, the extra money is applied to the principal, which lowers the total interest you end up paying.

If you have any trouble making your payments, contact your loan servicer immediately. You may be able to postpone or reduce your payments temporarily. Before you enter repayment, you will go through additional counseling, called exit counseling, to help you understand your obligations.

Be wary of student loan repayment companies

If you owe money on federal student loans, you should be wary of sales pitches from companies offering to help borrowers lower their payment.

Such companies charge fees — sometimes high fees — for filling out forms that you can do for free. Many will want to charge monthly fees for monitoring your loans. Again, you can do that for free.

The best place to start is the servicer the U.S. Department of Education has assigned your loan to. Your servicer can tell you what your options are and can help you with the forms you need. If you need help finding your servicer, go to www.nslds.ed.gov to retrieve your loan information.

You can also go directly to www.ed.gov and click on the link titled “Student loans, forgiveness.” Under that link you’ll find links to detailed information about all of your options.
Comparing costs

You’ve been accepted by more than one school. How do you know which school is offering you the best financial aid package? Comparing the award letters can help you decide.

An award letter will usually show the total cost of attendance: what it costs to go to that school for one year, including tuition, fees, room, meals, books, supplies, transportation and personal expenses. It may also show how much you are expected to pay toward those costs, your EFC. The EFC is subtracted from the total cost of attendance to get your financial need.

The letter will then list various sources of financial aid offered to pay for the costs not covered by the EFC. You can accept or reject any or all of those proposed sources.

At the back of this book, you’ll find a School and Package Comparison chart. You can use this chart to compare the cost of going to two schools, as well as the financial aid packages those schools have sent you. We’ve filled in one column with sample numbers that don’t come from a real school. Let’s take a look at the sample column to see how it’s done.

First of all, these are the assumptions we’re making: You’ll be taking a full load of classes (at least 12 credit hours) and your EFC is $2,000.

Your total cost of attendance is $17,000 for one year. Since your EFC is $2,000, your financial need is $17,000 minus $2,000, or $15,000. The college uses that information to put together a financial aid package for you.

You qualify for a Federal Pell Grant and a College Access Program Grant. You’ve earned $1,700 in KEES awards, and the college has offered you a $500 scholarship that it administers. You also qualify for a Work-Study totalling $700. Those awards total $9,700, leaving you $5,300 short of what you need. That’s where Federal Direct Loans kick in. You qualify for a $5,300 subsidized Direct Loan, meaning the federal government pays the interest on the loan while you’re in college. Your financial aid awards total $15,000.

You don’t have to accept everything in the financial aid package. You can pick and choose the awards that are best for you.

The first thing to do is take advantage of all the free financial aid you can get — the grants and scholarships. If you still need help, take the loans — but only what you absolutely need.

You can appeal your award package to ask the school if it can increase your aid. State and federal programs generally have limits on how much you can receive from them. Beyond that, though, many schools have their own funds. If you really want to go to a particular school but the financial aid package isn’t quite what you want, contact the financial aid office. The school may be able to come up with additional funds.
When it comes to comparing the costs of various colleges, remember that on the broadest level costs are divided into billable costs and nonbillable costs.

**Billable costs** are what you have to pay to start college. At the least, they include tuition and fees. If you’re going to live in school-provided housing, billable costs will also include room and board. They’re called “billable” because the school will bill you for them.

**Nonbillable costs** include everything else — textbooks, supplies (such as pens and notebooks), transportation and personal items (soap, shampoo, clothes, entertainment, laundry, etc.).

It’s in the room and board and the nonbillable costs that you can save money, sometimes lots of money, by smart shopping. Textbooks are expensive, so you can save money by buying used books whenever possible. You should check bookstores and online to find the best price. Some schools now rent books. Supplies may cost you less at discount stores. If you’re going to a school nearby, you can save room and board by commuting from home. It’s also possible to cut down on room and board by sharing an apartment. However, some colleges require freshmen to live on campus their first year.

So, unless you don’t have to worry about how to pay for college, it’s a good idea to compare schools’ billable and nonbillable costs when you’re checking out colleges. Once you’ve done that, you and your parents can sit down and discuss ways to save on nonbillable costs.

To find out the billable costs for the school you’re interested in attending, see the school pages in Chapter 3.
Your Financial Aid Counselor Is:
Jordan Friendly, 555.555.5555, ext. 555
E-mail: friendlyj@yourcollege.edu

The estimated budget below was used to determine your financial aid offer for the 2020-2021 award year. These costs are an estimate and may not represent your actual billed charges.

Estimated Cost of Attendance:

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<thead>
<tr>
<th>Allowance</th>
<th>Amount</th>
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</thead>
<tbody>
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<td>Tuition and Fees Allowance</td>
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</tr>
<tr>
<td>Room and Board Allowance</td>
<td>7,840</td>
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<tr>
<td>* Books and Supplies Allowance</td>
<td>900</td>
</tr>
<tr>
<td>* Travel Allowance</td>
<td>1,000</td>
</tr>
<tr>
<td>* Personal Expense Allowance</td>
<td>1,390</td>
</tr>
<tr>
<td>Total</td>
<td>$17,490</td>
</tr>
</tbody>
</table>

* These estimated noninstitutional charges will not appear on your bill from YC.

Financial Aid Offer:

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<th>Accept</th>
<th>Reject</th>
<th>Award Type</th>
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<th>2021</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>History Scholarship</td>
<td>$1,000</td>
<td>$1,000</td>
<td></td>
<td>$2,000</td>
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<tr>
<td></td>
<td></td>
<td>Your College Scholarship</td>
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<td></td>
<td>$3,000</td>
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<tr>
<td></td>
<td></td>
<td>KEES Scholarship (Est.)</td>
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<td>Fed Unsub Loan</td>
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<td></td>
<td>$5,500</td>
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<tr>
<td></td>
<td></td>
<td>Totals</td>
<td>$6,300</td>
<td>$6,300</td>
<td>$0</td>
<td>$12,600</td>
</tr>
</tbody>
</table>

Note: Summer awards are determined in April. Contact the Financial Aid Office if you plan to attend during the summer.

All terms and conditions of this offer of financial assistance are described in the enclosed package. The awards listed above may change if you receive additional aid or if there are changes in your expected family contribution, institutional charges or aid program regulations or funding. Please contact the counselor above if you have any questions about financial aid.
You must take the steps indicated below within three weeks of the date of this notice or your awards will be cancelled.

1. **Mark** “Accept” or “Reject” for each type of aid awarded.
2. **Complete** the information below.
3. **Sign** your full name and enter the **date** you sign the form.
4. **Send all pages** of the signed and dated copy of this award letter to the Office of Student Financial Aid at the address on the first page. *Keep the second copy for your records.*
5. **To accept an amount less than offered, please write the amount you wish to accept** (divided evenly) beside the amount offered and initial.

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**Acceptance Certification, Title IV Payment Authorization, and FERPA Release**

I understand that all initial awards are based on full-time enrollment and will be adjusted if my actual enrollment is less than full time and that any award indicated above is valid only when all related documents or processes have been completed and submitted as required. I also understand that any federal or need-based aid in this award will be canceled if I am not enrolled in a degree program or if I fail to maintain satisfactory academic progress toward my degree.

**Title IV Payment Authorization**

I hereby authorize my Title IV funds to be used for payment of the following institutional charges (if assessed): late registration fees, reinstatement fees, locker fees, lab fees, health fees, returned check fees, dormitory/apartment damage fees, graduate student/family housing charges, short-term loan principal, loan service fees, loan late fees, loan interest, music fees, study abroad program fees, computer/printer/software equipment charges, any outstanding minor prior year charges and miscellaneous program or course fees. If left blank, an answer of "No" will be assumed.

[    ] Yes    [    ] No

**FERPA Release of Information**

The Family Educational Rights and Privacy Act of 1974 (FERPA) is a federal law designed to protect the privacy of a student’s education records. I hereby authorize the Financial Aid Office to provide requested information as indicated below. If left blank, an answer of “No” will be assumed.

My Parents: [    ] Yes    [    ] No    My Spouse: [    ] Yes    [    ] No

This is a voluntary authorization, and you may rescind any or all provisions of the authorization at any time by contacting the Financial Aid Office. You may choose to authorize that your Title IV funds be used to pay any or all of the above stated charges. Any balances owed the student/parent after paying tuition and fees, contracted room and board and the above authorized charges (if any) will be mailed to the student within 14 calendar days of the later of (a) the date the balance occurs on the student’s account; (b) the first day of classes of the payment period; or (c) the date the student/parent rescinds his/her authorization for the school to retain funds in excess of the amount needed to cover allowable charges. Your College does not earn any interest on funds owed to the student/parent after Title IV funds are applied to outstanding charges.

Sign Your Full Name: _______________________________________________ Date: ________________

You will be notified of any changes to your awards. You should keep a copy of this and any subsequent award letters for your records.
Let’s look at what you need to know about costs and financial aid from the schools you’re applying to.

First of all, find out what financial aid forms you have to fill out and what the deadlines are. You can pretty much assume you’ll have to fill out the FAFSA, but some schools also have an application for school-administered aid programs. In fact, you should ask the financial aid office about any special aid programs it has in addition to state and federal programs.

Secondly, find out how much it will cost to attend each school for a year. For comparison purposes, you should ask the financial aid office to break the costs down by:

- Tuition.
- Fees.
- Room.
- Board.
- Books and supplies.
- Transportation.
- Personal expenses.

In Chapter 3, you’ll find costs for Kentucky colleges. Look at those costs closely.

You should ask the financial aid office how local scholarships and work-study will affect your financial aid. You should also ask if financial need will affect the school’s decision about admitting you.

Other things to check on include:

- Whether your award will be reconsidered if your family’s financial situation changes.
- Whether you can expect roughly the same financial aid package each year or if the package includes one-time-only awards.
- How much of your package includes student loans and parent loans.
- What the school expects the average student loan debt of someone in your class will be.

Finally, ask the financial aid office for a list of everything it needs from you if you accept the package: tax returns, acceptance letter, promissory note, applications, etc.
Everybody needs to know how to manage money and to make it grow. Knowing what to do with your money will mean you can manage your income and expenses throughout your life.

Is there a better deal that costs you less? It’s your job to find out — or pay the difference!

Knowing how and when you get your money and where you spend it is the foundation of financial planning.

**Budgeting**
A budget tracks the money you make versus the money you spend.

Right now, your parents probably cover most of your expenses. But if you have a job, you may help pay for entertainment, clothes and transportation.

To create a budget, estimate how much money you’ll make each month and how much you’ll spend. It’s a great way to avoid running out of money when you need it most.

Best of all, a budget will show you how long it will take to save for a big-ticket item you really want.

Your biggest financial goal is to have more money at the end of the month. One guide is to live off 80 percent of your income, allowing for 20 percent savings, or the 80-20 rule. You should make that savings automatic by using direct deposit to a separate savings account.

Financial goals can also include saving for a trip, concert or car. Take out a sheet of paper and list your short- and long-term goals, estimating how much money you can set aside per week or paycheck to meet them. You’ll get a better idea of how to finance what you really need.

Don’t think you make enough to save anything? Check over your receipts and spending records to find more ways to save money. Do you really need to drink sodas from the vending machine or to eat out every meal? Watch your spending, and see your savings grow!

Use the budget guide on this page to get an idea of how you stand financially.

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**Banking**
Learning about banking is a key step in understanding finances.

Talk with your parents about why they picked their bank or credit union. Find out what features banks offer for savings and checking accounts. Watch the overdraft fees the bank will charge if you don’t have enough money in your account to cover your purchase (overdraft), ATM withdrawal or debit charge. Banks can require you to have a fixed balance or earn interest on deposit to waive an account fee.

Fees can add up quickly, so choosing your bank and the type of account can make a difference.
As you take money from your account, write down the date and the amount in the debit column of your register. Write down the dates and amounts of deposits and bank fees so you can keep track of your balance.

Monitor your spending carefully. Know your general bank balance each time you make a transaction, because if the money isn’t there, you’ll be embarrassed.

Keep an eye on your money and the fees your bank is charging. You might even spot a rare error. Most banks have a time limit on disputing errors on your account, so the sooner it’s spotted, the sooner you can take care of it.

When you get your bank statement:

- Get your debt register where you’ve recorded all your transactions.
- Use a calculator to double-check your register to make sure all deposits are recorded.
- Record any interest you may have earned on your deposits.
- Double-check your debit register, including fees. Make sure those are entered into your register, adding the deposits and subtracting your debits until you have a balance on your register.
- Get your statement, listing any debits not shown on your statement because the bank hasn’t received them yet and list them in a column.
- Add them up, them subtract them from the ending balance shown on the front of your statement.
- Add any deposits not shown on your statement.
- Subtract your total outstanding debits, and the figure you reach should equal the balance in your register.

### Insurance

One fact of modern life is insurance. What insurance you’ll need depends on your lifestyle. You may need car, health, renter’s, homeowner’s or other insurance.

**Car insurance:** Because teens and young adults don’t have as much driving experience as adults, they’re a bigger risk to insure. That means you’ll pay more than someone who’s older. In Kentucky, you must carry liability insurance to cover any damage you do to someone else’s property or person. Collision insurance covers repairs to your car if you have an accident. Unless you owe money on your car, you probably don’t have to have collision or comprehensive coverage, especially if your car is older. Not having collision insurance will save you money — unless you have an accident.

<p>| Outstanding Debits (not included on your statement) | Outstanding Deposits (not included on your statement) |</p>
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<table>
<thead>
<tr>
<th>Total</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>1. Ending balance from your bank statement</td>
<td>$ _______</td>
</tr>
<tr>
<td>2. Add total outstanding deposits</td>
<td>+ _______</td>
</tr>
<tr>
<td>3. Subtract total outstanding debits</td>
<td>- _______</td>
</tr>
<tr>
<td>4. New balance (should equal your balance after you record interest and fees in your checkbook register)</td>
<td>_______</td>
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</tbody>
</table>

**Health insurance:** This is usually the most expensive insurance. Ask your parents if you’re still covered under their policy and if so, for how long. Federal law allows parents to provide health insurance until a child reaches age 26. However, keep in mind that laws can change at any time. Once you graduate and get a job, you may be able to get insurance through your employer.

**Renter’s/homeowner’s insurance:** If you rent an apartment or house, you should check into renter’s insurance. It can pay you if your belongings get stolen, burned in a fire or blown away by a tornado. Check with your parents’ insurance agent to see if you’re covered by an off-premises provision of their policy. When deciding how much coverage to buy, consider replacement vs. actual cash value costs. Replacement means you’ll get
the same new item; actual cash value will give you an amount based on its used value. If you have really nice stuff like jewelry or a sound system, consider buying extra coverage, called a rider, on those items.

**Credit cards**

How do a textbook and a couple of pizzas end up costing you a small fortune?

Let’s say you have a credit card with a line of credit of $2,000. But after pizzas, books and all the other things that you just didn’t have the cash for, you owe $1,500.

No problem, right? The minimum payment is just a few dollars a month. If you don’t pay more than the minimum balance, or worse, avoid paying the bill for a couple of months, your credit will be shot. If you find you’re unable to pay, that’s a black mark on your credit report for up to seven years.

Before buying, ask yourself if you can really afford it.

Once you’ve figured out how much you can responsibly charge on your cards, keep track of your spending just like you do for your checking/debit account.

Once you’ve drawn down to zero in your credit fund for the month, STOP using your card.

**Why worry?**

Because you’re building a credit score. If you pay your bills late, it will be reported and will affect the interest rate you pay on your credit card or car, your apartment deposit, even your car insurance! When you get a bill, pay it on time — every month.

A credit score is based on your payment history. It’s used by lenders to help determine whether you qualify for a particular credit card, loan, insurance or service. Most credit scores estimate the risk a company incurs by lending you money. Generally, the higher your score, the less risk you represent.

If you have any bill you can’t pay, contact the company or lender immediately to work out a payment arrangement. Whatever you do, don’t ignore letters from companies you owe. This just makes them more aggressive in trying to get their money back because you look like you’re hiding. It’s best to explain everything in writing so you have a record of it. Most companies will work with you if you’re up front about a temporary lack of cash. Ask if the creditor will waive penalty fees and extend your payment period after you explain why you’re having a temporary financial setback.

If you find yourself in a bind, look at your finances and figure out your budget before writing your creditors so you can give them an idea of how much you can reasonably pay.

Any late payment stays on your credit report for seven years, even if you’ve completely paid off the creditor. It’s better to start off on the right foot by establishing checking and savings accounts, pay all your bills on time, use your credit cards sparingly and pay the bill off every month.