

NEWS FROM

KHEAA–Alabama

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Financial Aid Tip of the Month, January 2020

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. Follow these tips from KHEAA–Alabama to make sure you get the help you need.

Some people don't bother to apply for financial aid because they don't think they'll qualify. But they should submit the Free Application for Federal Student Aid (FAFSA) to find out if they're eligible for state and federal student aid programs. Not filing may hurt their chances of getting more 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.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents. KHEAA also helps colleges manage their student loan default rates and verify information submitted on the FAFSA. For more information about those services, visit www.kheaa.com.

In addition, KHEAA disburses private Advantage Education Loans on behalf of its sister agency, KHESLC. For more information, visit www.advantageeducationloan.com.

For more information about financial aid and college planning, visit www.alstudentaid.com.