

Understanding Student Loans



Welcome, American Association of Colleges of Pharmacy!



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College Ave Student Loans

A Better Student Loan Experience.
collegeave.com

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Agenda topics

Presenter Introduction



Company Overview



Cost of Attendance



Financial Aid



Private vs. Federal student loans



Product suite and application process



Presenter Introduction



Katrina Delgrosso is the Head of Mid-Atlantic Campus & Event Development at College Ave Student Loans and is responsible for campus development in the states of MA, PA, MD, DE, and DC, also serving in a national role with high school outreach efforts. Kat has been in the financial aid industry for over 29 years and was previously at The College Board, Syracuse University, University of Rochester, and in student loans. Kat earned a B.S. in Economics from Penn State University.

Company Overview

College AVE[®]
STUDENT LOANS



Private Student Lender

**3rd largest by market share
(in just 7 years)**

Simple, clear & personalized customer experience

Useful tools – calculator, prequalification

**3-minute application with an instant
credit decision**

Focus on financial awareness & literacy

**A Better Student Loan Experience –
helping families who need help paying for college**

Different and Better. A Winning Combo.



Best Private Student Loan
Overall



Best Student Loan
Parent Loan



Cost of Attendance



Sticker Price/Cost of Attendance (COA)

What you need to know

- COA varies at each college/university
- Reviewed annually
- Tuition and fee increases
- Includes the basic costs needed to attend college at that school



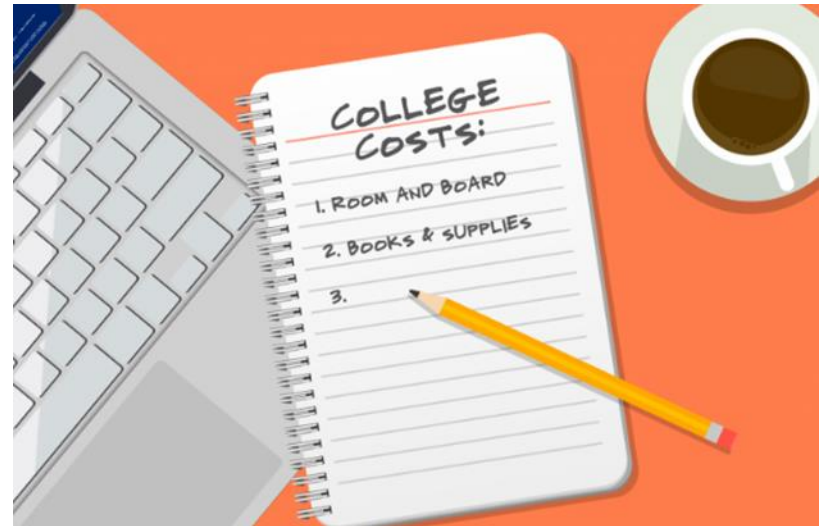
What Does Sticker Price/COA Include?

Five main categories

Tuition and Fees

- + Food and Housing
- + Books and Supplies
- + Transportation
- + Personal Expenses
- = **Cost of Attendance (COA)**

Schools can have additional fees, such as parking or required equipment.



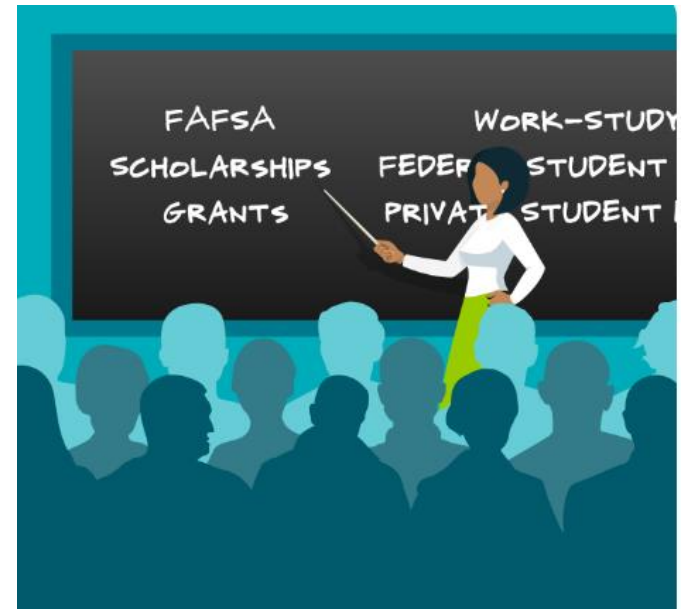
Financial Aid



Financial Aid Basics

Common Questions Families Ask

- **What** is financial aid?
 - Grants, scholarships, work, and loans
- **How** do students and families qualify?
 - Apply
 - Financial need is calculated
- **Where** does the money come from?
 - Federal/U.S. government
 - State government
 - College or university
 - Local organizations/individuals



What – Types of Financial Aid



	Grants	Scholarships	Work Study	Loans
What is it?	Free money	Free money	Part-time jobs	Borrow for college
Based on need?	Yes	No	Some	Some
Based on merit?	No	Yes	No	No
Need to pay it back?	No	No	No	Yes

College Ave encourages students to reach out to the school about scholarships

How – How Do Students Apply for Financial Aid?

What are the main steps?

- **Look** at the deadlines for each college
- **File** the Free Application for Federal Student Aid (FAFSA)—U.S. citizens or permanent residents only
 - International students are not able to complete the FAFSA or receive federal aid—try for institutional aid or private loans
- **File** the CSS Profile® (if requested)
- **Apply** early for state, local, and private scholarships and grants
- **Compare** financial aid award offers
- **Choose** where to attend your program

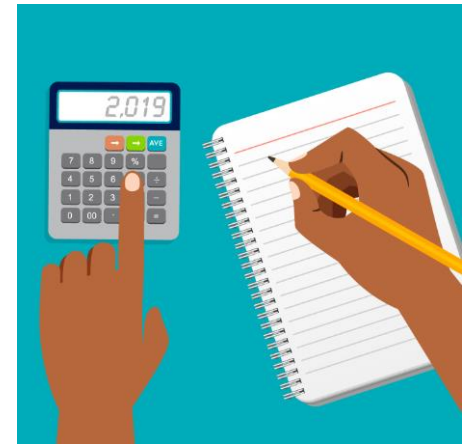


How – How to Calculate Need for Need-Based Aid

Cost of Attendance (COA)

– Calculated Family Contribution

= Financial Need*



**Your need-based financial aid + non-need based financial aid cannot exceed the Cost of Attendance in most cases.*

Common Misconceptions



We won't qualify for aid

Fill out the FAFSA

My income is too high to qualify

Apply

My income is too low to qualify

Apply

We can't afford a private school

Most don't pay full sticker price

College isn't possible after a job loss

Income reduction could increase aid eligibility

FILL OUT THE FAFSA

Sample Financial Aid Award and Gap



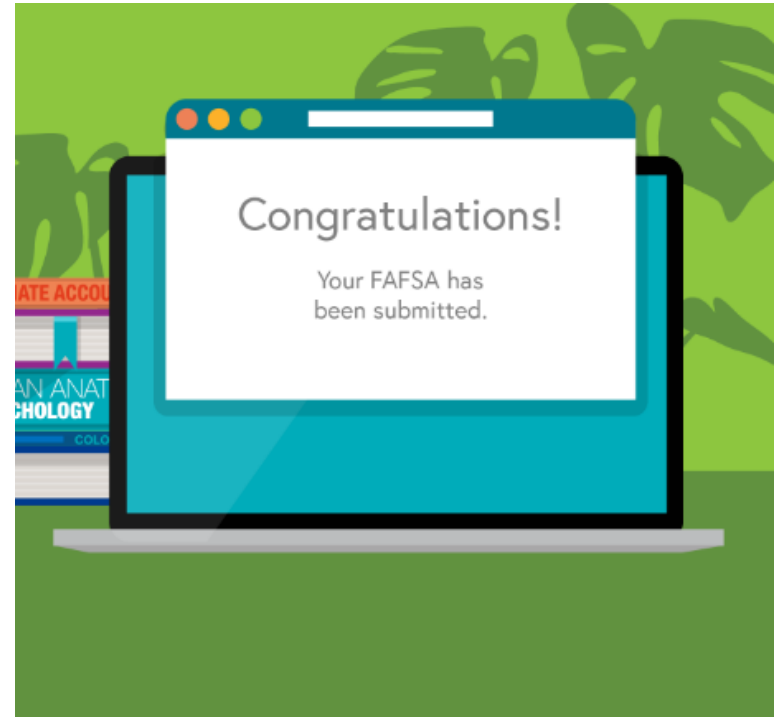
Private school “sticker price”	\$54,500
Less: Grants and Scholarships	- 17,000
Less: Personal/ Family contribution	- 17,000
Less: Federal student loan aid	- 5,500
Gap: Private student loan (average)	\$15,000

**You can also cover your some or all of your family contribution + your gap through federal or private educational loans.*

Federal Aid

Main federal aid programs

- **U.S. citizens and permanent residents**
- **Need-based:**
 - Pell Grant—undergraduate
 - Supplemental Educational Opportunity Grant (FSEOG)—undergraduate
 - Work Study—undergraduate and some graduate/professional level
 - Direct Loans (students)—Subsidized Loans—undergraduate only
- **Not need-based:**
 - Post-9/11 GI Bill (veterans benefits)
 - **Direct Loans (students)—Unsubsidized Loans (undergraduate and graduate/professional)**
 - PLUS Loans (parents)
 - **GradPLUS Loans (graduate/professional level)**
 - **Loans from Health Resources & Services Administration (HRSA)**
 - TEACH Grants



State Aid

Apply for state aid on the FAFSA website once FAFSA submitted

- Can be grants, scholarships, or loans
- Amounts vary by state
- May or may not be available for graduate/professional students
- Sometimes can only qualify if student attends within home state; sometimes can take outside state lines
- Some have early deadlines¹



¹ <https://studentaid.gov/apply-for-aid/fafsa/fafsa-deadlines>

Money from College/University

Institutional funding can vary

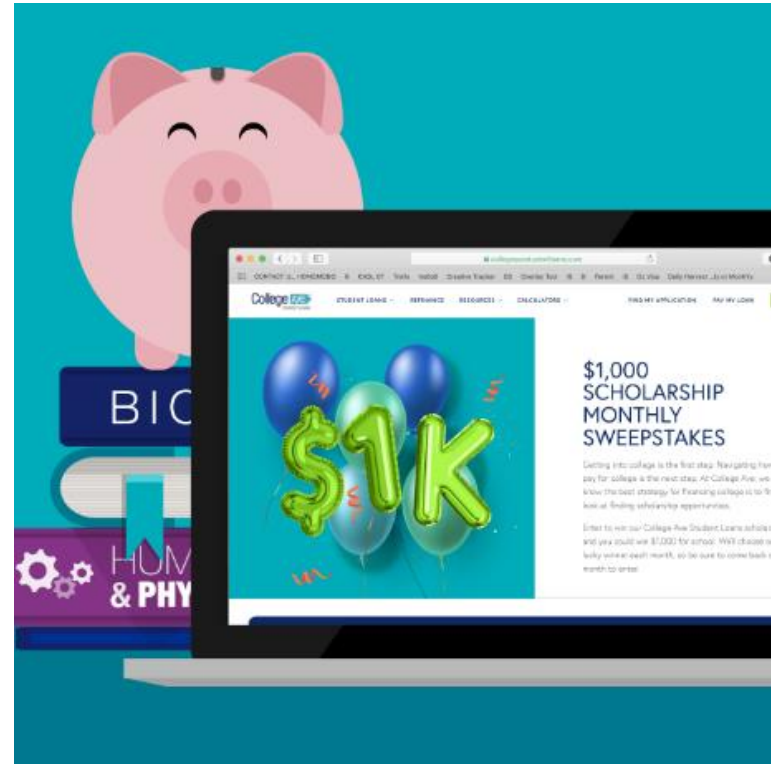
- Grants, scholarships, work and loans
- International students may qualify
- Grants are need-based
- Scholarships are academic or talent-based
- *Examples: fellowships, assistantships, tuition scholarships, other grants from school*



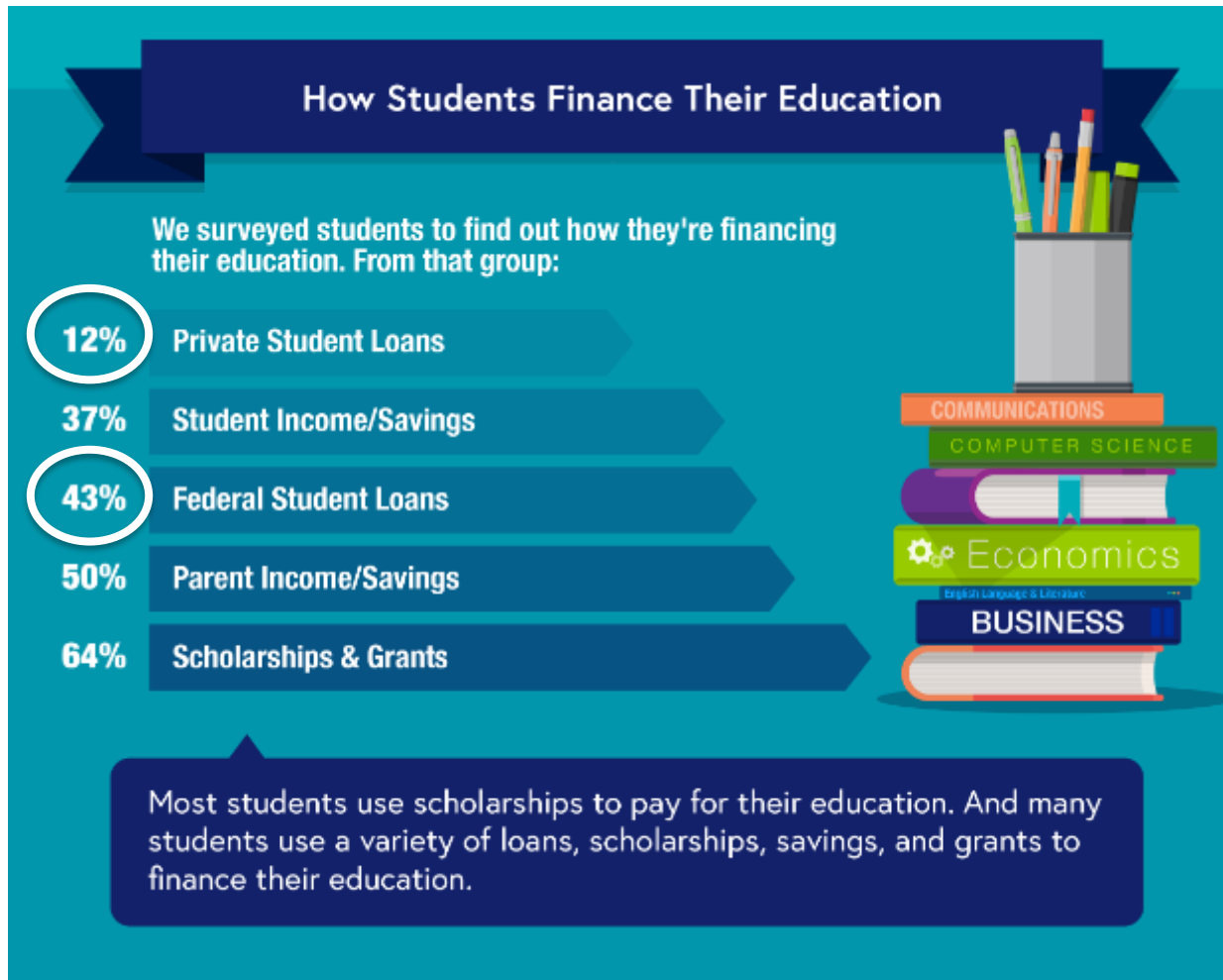
Private/Outside Sources of Aid

Additional sources to fill the gap

- International and domestic students may qualify
- Outside scholarships
 - National/regional/local
 - Use search engines to narrow down opportunities
 - College Ave Blog – scholarship sources
- Private loans
- Consumer loans

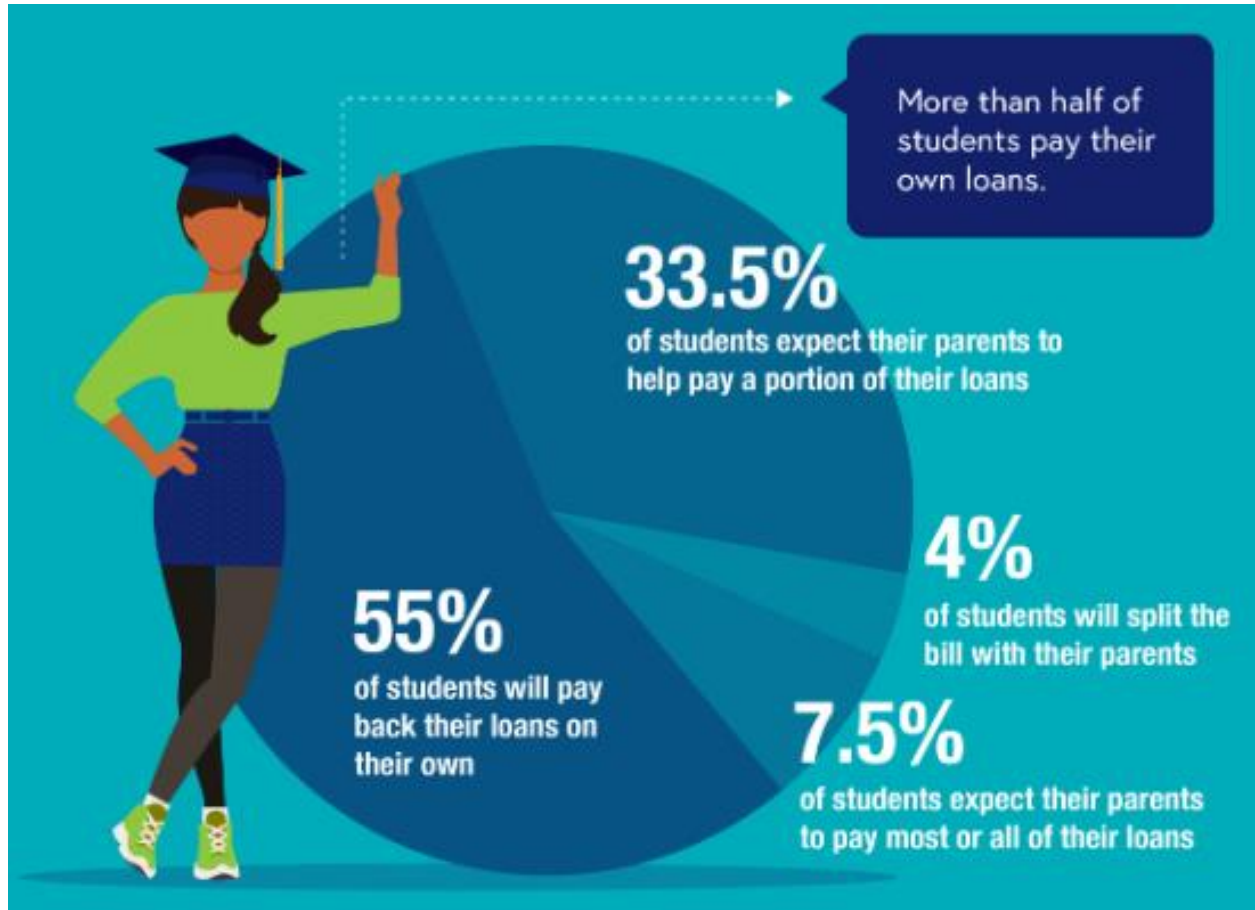


How Students Afford Their Education



Source: <https://www.collegeavestudentloans.com/blog/how-families-pay-for-college/>

Education Loans



Source: <https://www.collegeavestudentloans.com/blog/how-families-pay-for-college/>

Federal Loans (<https://studentaid.gov/>)

Federal Loan 2022-23 Fees

- Total amount of loan minus loan fee = amount sent to school
- Federal Unsubsidized Direct Loan fee = 1.057%
- GradPLUS Loans = 4.228%

Federal Loan 2022-23 Interest Rates

- Federal Unsubsidized Direct Loans = 6.54% for graduate/professional students
- GradPLUS = 7.54%

Year	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate Annual Loan Limit	\$5,500-No more than \$3,500 of this amount may be in subsidized loans.	\$9,500-No more than \$3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate Annual Loan Limit	\$6,500-No more than \$4,500 of this amount may be in subsidized loans.	\$10,500-No more than \$4,500 of this amount may be in subsidized loans.
Third Year and Beyond Undergraduate Annual Loan Limit	\$7,500 per year-No more than \$5,500 of this amount may be in subsidized loans.	\$12,500-No more than \$5,500 of this amount may be in subsidized loans.
Graduate or Professional Student Annual Loan Limit	Not Applicable (all graduate and professional degree students are considered independent).	\$20,500 (unsubsidized only).
Subsidized and Unsubsidized Aggregate Loan Limit	\$31,000-No more than \$23,000 of this amount may be in subsidized loans.	\$57,500 for undergraduates-No more than \$23,000 of this amount may be in subsidized loans. \$138,500 for graduate or professional students-No more than \$65,500 of this amount may be in subsidized loans. The graduate aggregate limit includes all federal loans received for undergraduate study.

Federal Loan Limits and Additional Federal Loan Limits in Some Cases

Annual Loan Limits: Graduate/Professional/Health Professions

Academic Level	Unsubsidized Loan Limit	Additional Unsubsidized Limits for Independent and Dependent Students Whose Parents Cannot Borrow PLUS
Graduate/Professional	\$20,500	
Health Professions: Graduate in Public Health, Masters or Doctoral Degree in Health Administration, Doctoral Degree in Clinical Psychology, Doctor of Pharmacy or Chiropractic	\$20,500	\$12,500* (for 9-month AY) \$16,667* (for 12-month AY)
Health Professions: Doctor of Allopathic Medicine, Osteopathic Medicine, Dentistry, Veterinary Medicine, Optometry, Podiatric Medicine, Naturopathic Medicine, or Naturopathy	\$20,500	\$20,000* (for 9-month AY) \$26,667* (for 12-month AY)

*Increased unsubsidized annual loan limit available for certain health professions students due to phase out of the HEAL Program. The 9-month increased unsubsidized loan limit must be prorated for programs having an academic year of 10 or 11 months.

Source: <https://www.nasfaa.org>

Two Additional Loan Programs through Health Resources & Services Administration (HRSA)

May be available through your school

- Health Professions Student Loans (HPSL)
- Loans for Disadvantaged Students (LDS)
- Website for both: <https://bhw.hrsa.gov/funding/schools-apply-loan-program>

Private vs. Federal Student Loans



DIFFERENCES BETWEEN PRIVATE & FEDERAL STUDENT LOANS

Loans	College Ave Private Student Loans	Federal Student Loans
Choice of Variable & Fixed Rates	Yes	No, fixed only
Auto-Pay Discount	Yes	Yes
Standard Repayment Terms	Choice of 5 - 15 years ²	10 years
Credit Check	Yes (undergraduates will likely need a cosigner)	Direct PLUS Loans only (graduate students and parents)
Origination Fees	No	Yes
Application Process	Online 3-minute Application	FAFSA

Private Student Loan Eligibility



Students pursuing undergraduate, graduate and professional degrees

Parents or Creditworthy Sponsors

US Citizens and Permanent Residents

International students must include a US-based cosigner with valid SSN

Graduates can refinance existing private and federal student loan debt

Benefits of Adding a Cosigner



May increase likelihood of being approved

May improve interest rate

Allows student to establish and build their credit file

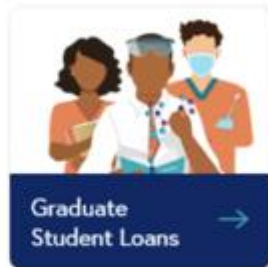
Parents or Guardians often serve as the loan cosigner

90% of all private student loans are cosigned

Products Available from College Ave



In-school Products



Refinancing





Private loan refinancing of student debt includes which of the following (select only one):

- A. Consumer credit check
- B. New loan to repay your existing loan(s)
- C. Multiple opportunities to refinance
- D. **All of the above**

AACP Member Loan Benefits for Graduate Health Professions Loan through College Ave

(<https://www.collegeave.com/aacp>)

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STUDENT LOANS



- In-school Loans receive a 0.25% interest rate discount¹
- Refinance Loans receive a 0.50% of the loan amount² paid back to the borrower
- All loans are eligible for a 0.25% interest rate reduction when the borrower signs up for auto-pay³

¹ AACP members receive a 0.25% interest rate reduction on In-school loans that are opened through the AACP member website. The AACP member discount will be applied to your loan account after the initial disbursement occurs.

² Amount equal to 0.5% of the initial loan balance to be credited on the borrower's statement within 60 days of closing of the loan. For example, if the consolidated loan equaled \$20,000, the member benefit equals \$100, with a maximum of \$599.99

³ The 0.25% auto-pay interest rate reduction applies as long as the borrower or cosigner, if applicable, enrolls in auto-pay and authorizes our loan servicer to automatically deduct your monthly payments from a valid bank account via Automated Clearing House ("ACH"). The rate reduction applies for as long as the monthly payment amount is successfully deducted from the designated bank account and is suspended during periods of forbearance and certain deferments. Variable rates may increase after consummation.

Focus on Financial Wellness and Literacy



Welcome to the College Budget Planner

USE THIS WORKSHEET TO HELP YOU COMPARE THE COST OF EACH COLLEGE AND MAKE A PLAN TO PAY FOR SCHOOL. DON'T FORGET TO INCLUDE ADDITIONAL OUT-OF-POCKET EXPENSES.

COLLEGE COSTS	School #1	School #2	School #3
TUITION & FEES			
ROOM & BOARD: On or off campus vs home			
BOOKS & SUPPLIES: Consider chosen area of study			
TRAVEL: Gas, bus, plane tickets & hotels			
CAMPUS ACTIVITIES: Clubs & events			
LIVING EXPENSES: Laundry, phone & eating out			
TOTAL COST OF ATTENDANCE			

GIFT AID (GRANTS & SCHOLARSHIPS) - MONEY YOU WON'T HAVE TO PAY BACK	School #1	School #2	School #3
Grants & scholarships from the school			
Federal Pell Grant			
Grants from your state			
Other scholarships			
TOTAL GIFT AID			
TOTAL NET PRICE (Cost of Attendance minus Gift Aid)			

Now that you know how much your family is responsible for, start making a plan on how you'll pay the NET PRICE.

Tip: Don't forget to factor in these costs each year your student is in school.

OPTIONS FOR PAYING THE NET PRICE	School #1	School #2	School #3
Work-Study Program			
FEDERAL LOAN OPTIONS			
Federal Direct Subsidized Loan			
Federal Direct Unsubsidized Loan			
OTHER OPTIONS			
Income and Savings			
529 Plan or Education Savings Account			
Payment plan offered by the institution			
Federal Parent PLUS Loans			
Private student or parent loans			

For more helpful tips on paying for college, visit: collegeavestudentloans.com

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Student Budget Worksheet

As a student, it's important to manage your money. Paying close attention to where your money is going will help you identify places to cut back or make smarter choices.

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Credit 101

WHAT IS IT AND WHY IS IT IMPORTANT

TIPS FOR BUILDING AND MANAGING CREDIT

1. **Establish a credit history** – it provides your financial references.
 - ▶ Parents can cosign a loan or add children to other credit accounts to build credit history.
2. **Always pay as agreed** – late payments may negatively affect your credit score and ability to get credit.
3. **Apply for credit wisely** – don't apply for accounts unless you have a specific purpose for doing so.
4. **Time is the key** – you must allow time to build a credit history.
5. **Have a plan** – Be accountable and have a plan for how you are going to repay your debts!

MONITOR YOUR CREDIT ANNUALLY FOR FREE!

Federal law requires each of the three nationwide consumer credit reporting companies – Equifax, Experian and TransUnion – to give you a free credit report every 12 months if you ask for it. You can request one from each of the three credit bureaus each year, so you can spread it out and request one every four months.

Be sure to use this website for your free reports: annualcreditreport.com

COLLEGEAVE.COM

Blog Articles to Help You Navigate...And Many More at:

<https://www.collegeavestudentloans.com/blog/>

How to Decode Your College Financial Aid Offers



6 Benefits for When You File the FAFSA Early



Simple Process



Visit
collegeave.com/aacp



Select your loan product



Complete the online
application and receive
an instant credit
decision



Post-approval, configure
your loan and accept
your loan terms

What's Next if You Borrow a College Ave Private Loan While in School?



College Ave sends the school a loan certification request

School confirms the amount of eligibility and the date the loan funds are due per academic term

College Ave disburses funds directly to the school on/prior to the due date requested by the school

Repayment begins according to selected loan terms

Full Principal & Interest, Interest Only, Flat Pay and Full deferment of principal and interest repayment options

Communicating with College Ave is Easy



Contact Us

If you have a question, suggestion, or just need a little more detail, you can contact us using any of the options below.



CHAT NOW →



TEXT US* 855-910-0510



EMAIL US →

For Help Applying for a Student Loan

 844.422.7502

Mon - Fri: 9 am to 8 pm ET

For Help Servicing or Repaying a Loan

 collegeaveservicing.com

 844.803.0736

Mon - Fri: 8 am to 8 pm ET

Payment Address

College Ave Student Loans
c/o University Accounting Services
P.O. BOX 5863, Carol Stream, IL
60197-5863

Thank you and best of luck!



Katrina Delgrosso
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May 8, 2023