



Cleveland University  
KANSAS CITY

Chiropractic and Health Sciences

# Your Guide to Navigating College Financial Aid

How it works, how to use it,  
and how to pay it off



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# Finding Your Way Through the World of College Financial Aid Options

Just like having an experienced, well-informed travel guide to an unfamiliar place offers a sense of security, so too is having a common-sense, comprehensive guidebook to financial aid.

You'll find this financial aid ebook is the guidebook for you. You might already have an understanding of the financial aid process and options. Still, most people have some gaps in knowledge about getting financial aid. Or using it. Or paying it back. What was missing was a solid, comprehensive resource.

Here are few examples of financial aid facts that are often overlooked in most mainstream sources:

- More than 85% of all college students receive some type of financial assistance.
- The deadlines for applying for financial aid vary by state and by school. Many students are only aware of the federal aid deadline.
- Income by itself doesn't determine eligibility for financial aid. Federal financial aid is based on many factors. In 2022, an estimated **two million more students** could have qualified for various grant and loan programs.

Getting a college education so you can reach your dream career deserves the support of everyone around you. At Cleveland University-Kansas City, we believe the door to your dream opens with information.

Welcome to *Your Guide to Navigating College Financial Aid!*



## **Section I:**

# **Financial Aid - What It Is and How to Find It**



# The Good News About Financial Aid Opportunities

**Financial aid** is money for students to help pay for educational expenses. Many people are surprised to discover the depth and range of financial aid options that can help make attending college part of their future. Federal student aid encompasses more than \$120 billion in grants, work-study funds, and low-interest loans in 2022. That is really good news.

The better news is that family incomes and savings do not determine whether or not an aspiring student can seek a college degree. If you have the drive to succeed, your degree is within reach.

Is borrowing money for a college degree unusual? Not at all, because for those who are prepared for the challenges, going to college can deliver a good return for the money spent.

Nearly half of all families used loan sources to cover some college expenses, according to a [How America Pays for College](#) report. In comparing [the income](#) of high school graduates to those with college degrees over a lifetime:

- Those with an associate degree earn 24% more
- Those with a bachelor's degree (B.A., B.S.) earn 66% more
- Those with a master's degree earn 97% more
- Those with a graduate professional degree (M.D., D.C., D.O, etc.) earn 150% more

**Financial Aid** Financial aid refers to any and all grant, scholarship, loan, or paid employment offered by an educational institution to help a student meet college expenses, such as tuition, fees, and other education-related items.



# Getting Familiar With FAFSA

The beginning point for any financial aid from any program of the U.S. government is the Free Application for Federal Student Aid (FAFSA) form. Once submitted with your information and processed, the form results in a **Student Aid Report (SAR)**, which details the amount of aid to be awarded from the school and from which federal sources.

It's best to set aside one to two hours to complete the FAFSA application. Gather the following information to complete your FAFSA form. Remember, if you're the student borrowing the money and you are a dependent, you'll also need most of this information from a parent or guardian:

- A Federal Student Aid ID (FSA ID), from the Federal Student Aid account you created. The FSA ID is equal to a legal signature and is used to sign documents electronically.
- Your Social Security Number (SSN)
- Your Alien Registration Number (if you are not a U.S. citizen)
- Your federal income tax returns, W-2s, and other records of money earned. (Most people will be able to transfer U.S. tax return information into the FAFSA using the **IRS Data Retrieval Tool**.)
- Bank statements and records of investments (if applicable)
- Records of untaxed income (if applicable)

Submitting the FAFSA form as soon as possible during the eligibility period is always a good idea. Every year, some FAFSA submissions are selected for **verification**, which can mean the school or applicant must provide additional documents for review. Plus, if there's a mistake on the application, filing early gives you more time to submit an amended FAFSA.

Although the FAFSA form can be downloaded, printed, filled out, and returned by mail, completing the FAFSA online is better because it processes faster, which means getting the results for the amount of aid sooner.

**Student Aid Report (SAR)** A paper or electronic document that provides basic information about your eligibility for federal student aid. The SAR is derived from answers you provide on your Free Application for Federal Student Aid (FAFSA).



## About the Student Aid Report (SAR)

Included in the SAR results generated from your FAFSA form submission will be your **Expected Family Contribution (EFC)**, a tool that considers a family's taxed and untaxed income, assets, and benefits such as unemployment wages or Social Security benefit payments. Schools use the EFC result to calculate federal student aid eligibility and financial aid award. The resulting funds are applied to eligible college tuition and fees.

If the aid amount offered exceeds college costs, the remainder of the aid is released to you according to that university's practices. If there is a gap between college costs and aid received, the shortage would have to be accounted for through a school's payment plan (if available), or by securing private or family resources.

You can appeal a financial aid award decision if you believe there's an error. A [2018 College Ave Student Loans report](#) said 37% of students wished they had asked for more financial aid.



### Hot Tip

While waiting for your SAR, use a third-party calculator that estimates the financial aid you are likely to receive. While not official, such calculators, [like this one](#) tend to be about 90% accurate.



# The Basics: Loans, Grants, Scholarships

Financial aid comes in two flavors: funds that are repaid – usually with **interest** – and funds that do not have to be repaid. Understanding what you’re getting into is important when you’re exploring financial aid options.

## Federal Direct Loans and Private Loans

The U.S. Department of Education provides money to college-bound students as low-interest loans. Loans need to be repaid to the lender. The starting point for this resource is completing the FASFA form (Free Application for Student Financial Aid). There is no cost for completing this form. Filling out this form will result in knowing about eligible awards from various federal programs.

Many banks and credit unions also specialize in private student loans. (You may need to ask about these options.) Typically, student loans have lower interest rates than other types of loans these institutions offer. The interest rate on a private student loan may be higher than the interest rate for federal direct loans.

For most people, it makes sense to explore federal loan options before private loans.

## Federal Subsidized Loans

Subsidized student loans are available for **undergraduate students** who have demonstrated financial need. The FAFSA form will provide this information. Federal subsidized loans often have better terms than unsubsidized student loans.

## Federal Unsubsidized Loans

Unsubsidized loans are available to **undergraduate and graduate students** regardless of financial need. Students are responsible for repaying the accumulated interest during all periods.





There are also specialized student loans available, such as Parent Loans for Undergraduate Students (PLUS) loans:

### **PLUS Loans**

PLUS loans can be made to graduate or professional students and parents of dependent undergraduate students to help pay for expenses not covered by other financial aid options.

### **Private Loans**

Banks and other financing agencies also provide funding for student loans. Typically, these loans have higher interest rates than federal loans, and there are fewer options during repayment.

For example, while some federal loans may offer “flex” plans that allow smaller payments when just out of college, private loans are generally fixed amounts per month during the entire repayment period.

### **Remember: Loans Accumulate Interest**

All loans must be repaid, with interest. It’s a good idea to look at the total amount of loans you may accumulate while earning your college degree and have an understanding of what happens after graduation.

Read [“Section III: Repayment Options” \(page 25\)](#) to learn more.



## Grants

Unlike loans, grants don't have to be repaid, presuming you stay in school. Grants are similar to scholarships but are typically need-based.

Complete the FAFSA form to find out which grants you are eligible to receive. Here are the primary types of federal grants:

### Federal Pell Grant

Pell grants usually go to students seeking an associate or bachelor's degree and who display exceptional **financial need**.

### Federal Supplemental Educational Opportunity Grants (FSEOG)

These supplemental grants are administered directly by the school's financial aid office. Participating schools receive a certain amount of FSEOG funds each year, so after the school's FSEOG funds are awarded, no more FSEOG awards can be made for that school year.

### Iraq and Afghanistan Service Grants

Students who have a parent or guardian that died as a result of military service in Iraq or Afghanistan may be considered for an Iraq and Afghanistan Service Grant.

### Teacher Education Assistance for College and Higher Education (TEACH) Grants

As the TEACH grant implies, it requires a student to take specific classes or have a certain major, usually in the teaching field.



**Financial Need** The difference between the cost of attendance (COA) at a school and the Expected Family Contribution (EFC). The COA varies from school to school, but the EFC does not.



## Scholarships

Scholarships are terrific because they don't have to be repaid. Just remember that certain academic standards are needed to keep them. Scholarships can be merit-based, meaning tied to previous academic achievements or other standards. Scholarships can also be need-based, meaning students fit specific categories. A need-based scholarship might depend on family status, your family's ethnic origin, or an area of study, such as healthcare.

Many scholarships are national, and there's more out there than you might expect. There are at least 750,000 scholarships available, according to the National Center for Education Statistics (NCES).

Today's online scholarship tools make finding scholarships easier. Entering specific criteria into a search site will reveal which ones are a possible fit for you.

Go to a scholarship search site like [fastweb.com](https://www.fastweb.com) and see what's out there. Don't be bashful. Every year, scores of scholarships go unclaimed. Here's a [recommended starter list](#).

Remember to dig into a school's website. Also, ask someone from the school's academic department to help you find scholarships that might fit your situation.



### Hot Tip

There's no limit to the number of scholarships for which you may apply. Applying for a bunch of smaller ones could increase your chances of receiving scholarship funds.

# Other Funding Sources to Consider

## Federal Work-Study Program

This is a U.S. government program that funds part-time work for students enrolled in an accredited university or college. Most **Federal Work-Study Program** positions are available within university departments. Work schedules vary and are tailored to a student's school schedule.

While some universities publicize these jobs, it's in your best interest to inquire about work-study options at your university. Admissions staff, academic advisors, and financial aid personnel can give you additional details.

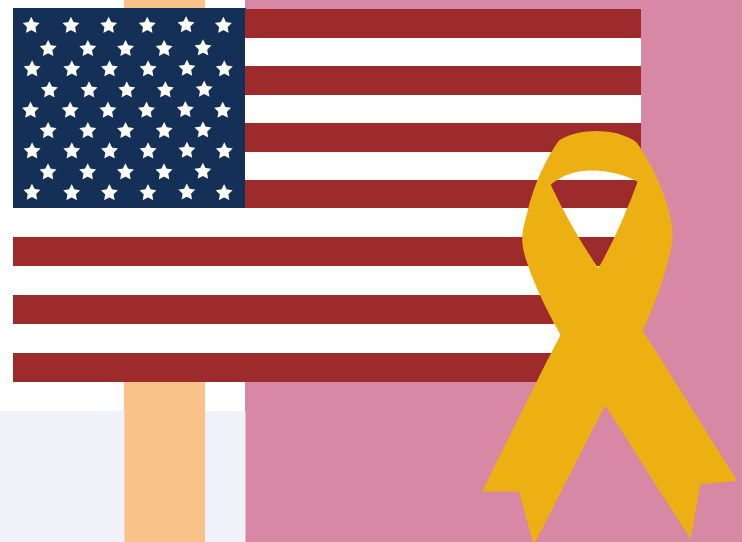
## Veterans Benefits (GI Bill® , Yellow Ribbon Programs)

A school's financial aid staff should be up-to-date on all of the latest educational assistance programs for those who've served in the U.S. armed forces.

As an example, colleges and universities participating in the **Yellow Ribbon Program** may allow the Veterans Administration to pay tuition and fee expenses that exceed the maximum amounts specified by the **Post-9/11 GI Bill®**.

Veterans who are not quite sure they are ready for a college degree program can get academic readiness help and instruction through the **Veterans Upward Bound Program**.

GI Bill ® is a registered trademark of the U.S. Department of Veteran Affairs (VA). More information about education benefits offered by VA is available at the official U.S. government website at <http://www.benefits.va.gov/gibill>.



**Federal Work-Study Program** A federal student aid program that provides part-time employment while you are enrolled in school to help pay your education expenses.



## Sponsorships

A sponsorship is an arrangement that will pay some or all of a student's college expenses in exchange for working in an underserved community after graduation. Sponsorship funding is most likely to be found at schools offering health care degrees. The funding might include paying a fixed percentage of a yearly income over a number of years.

## You Can Make it Happen

The Dept. of Education has worked to make the [federal student aid programs](#) easier for you to access and understand. The website [fafsa.gov](#) integrated into [StudentAid.gov](#).

This change allows students and parents to apply for financial aid wherever they are, and from mobile, tablet, or desktop platforms. FAFSA applicants can also switch between mobile and web platforms during the application process without losing data.



# Your Financial Aid Timeline

Begin the process of seeking financial aid at least one year before you intend to begin college. Be mindful of the trimester or semester you plan to begin your college studies and adjust your financial aid timeline accordingly.

Students planning to attend college in the fall should keep in mind that a typical one-year timeline might look like the dates below.

**Remember, these dates can change for future years.**

## October

The Free Application for Federal Student Aid or [FAFSA](#) is available starting in October for the following academic year. Students register for an FSA ID from the Department of Education. A personal user name and password is created. The FSA ID is used to log in to your Federal Student aid account.

## November

Start researching scholarships and make a note of all deadlines in your calendar. Funds for individual scholarships are limited, so if you meet the requirements, apply as early as possible.

Some scholarship search sites to consider include:

[Fastweb.com](#)

[Collegeboard.org](#)

[CollegeNET.com](#)

[Niche.com](#)

[Moolahspot.com](#)

[Cappex.com](#)

[Unigo.com](#)

[Petersons.com](#)

[Scholarships.com](#)



## December

By now, your Student Aid Report (SAR) has arrived. The information you listed is provided, so check that it is accurate. Your **Expected Family Contribution (EFC)** will be in the SAR.

When the gap between the cost of college and all assistance available is known, students and their families can move ahead with plans for loans, changes to family budgets, school-based payment, or other funding ideas. Any leftover funds can be factored into a student's school-year budget.

If there are errors in the SAR, the report can be amended, which may increase or decrease the EFC. This is a good time to review any school-specific or state-specific deadlines for your school.

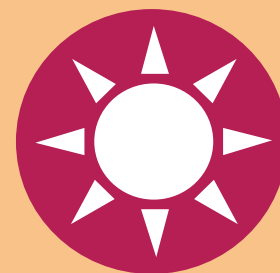
## April

By April, finish comparing financial aid packages (loans, grants, and scholarships) for each of the colleges you wish to attend. Don't assume the package will be the same for all colleges. Any gap between financial aid sources and the cost of college needs to be talked about. You will want to understand repayment options for unfunded college costs before you borrow money. (See [Section III](#) of this guide.)

Once you've made your decision, contact the college you have selected and let them know you accept their financial aid offer. Although most colleges use a May 1 deadline, some may use a March 30 or earlier deadline.

## June

The last day to submit a FAFSA form is typically near the end of June.



## Hot Tip

Remember that more than 80% of all college students receive some type of assistance. It's worth your time to apply!



# Section II:

## Using Your Financial Aid Wisely





# What to Know About Educational Costs

It seems obvious that college financial aid is used to pay the costs of going to college, but it's essential to know what those eligible costs are – and aren't.

## Determining Student Status: Dependent or Independent

Undergraduate students who are under age 24 as of December 31 of the award year are considered as "dependent" for federal student aid purposes unless they are married, have dependents other than a spouse, are an orphan, are a veteran or active duty Armed Forces member. A list of questions to help you determine your dependency is available at this [studentaid.gov](https://studentaid.gov) web page.

## Know the COA

One place to start is to understand a university's **Cost of Attendance (COA)**, which every institution is required to report. The COA establishes an average cost of attending that school during an academic year. A school's COA is usually stated as a yearly amount and is updated annually.

Colleges will calculate the need for financial aid by subtracting the EFC from the COA. The higher the COA, the more aid you may be eligible to receive.

Included in the COA:

- Tuition and fees
- Books, supplies, and equipment
- Living expenses, or an allowance for it
- Transportation costs allowance
- Miscellaneous/personal expenses

The COA is useful for comparisons of total costs, but understand that many of the indirect costs of attending a school are under the student's control.

**Cost of Attendance (COA)** The total price of going to a particular college. It includes tuition, fees, room, board, books, supplies, meal plan, and other living expenses, such as transportation.



# Understanding the Net Price of College

Once you're aware of a college's Cost of Attendance (COA), it's time to figure out the **net price** of going to school.

The **net price** is an amount representing the total out-of-pocket cost for any particular student. A net price includes the amount the college expects a student and their family to contribute, any financial need unmet by the college, and any loans or work-study arrangements.

Remember, **financial need** is an official calculation and is not defined by how much money a student thinks is needed for college.

Knowing the net price is important because the average net price for college can be considerably lower than adding up the total tuition and fees or looking at the published COA. In other words, whether or not a college is affordable should be viewed from the perspective of its net price, how well its environment meets the student's needs, and its total net cost.

Imagine this scenario for the fictitious Central General University (CGU):

CGU published tuition and fees (COA)	\$9,850
Student's gift aid and education tax benefits	- \$5,600
Student's CGU net price	\$4,250

Many sources provide online net price calculators, and most universities have a net calculator on their website. You can also get the net price for any college or university in the U.S. at the [Dept. of Education's Net Price Calculator Center](#).



**Net Price** The amount you'll actually pay to attend a college after accounting for tuition discounts, scholarships, and grants. For private colleges, this is usually far less than the advertised price. Net price is determined by taking the institution's cost of attendance and subtracting any grants and scholarships for which the student may be eligible.

# How to Use Financial Aid Wisely

In most cases, and certainly with accredited higher education institutions, financial aid awards are applied to tuition and fees each semester. After those costs are deducted, the remaining aid is expected to be used for items like books, costs of getting to and from school, “room and board,” and other daily living expenses.

If your total student aid (gift aid plus semester loans) is more than the educational costs, it’s tempting to think of this as extra money, but don’t fall into that trap. Talk to any college graduate, and you’ll find out there are nearly always extra expenses or fees that come up. So, it’s better to think about excess funds as a safety savings account.

Plus, if that excess money for the semester is from a student loan, **interest** owed may be accumulating.

Let’s again use our fictitious Central General University and an example of a federal loan:

**Total loan debt and interest accumulated after graduation**

\$31,020

**Annual interest rate until loan totals are repaid**

5.05 %

**An estimated monthly payment for 20 years (typical length of repayment)**

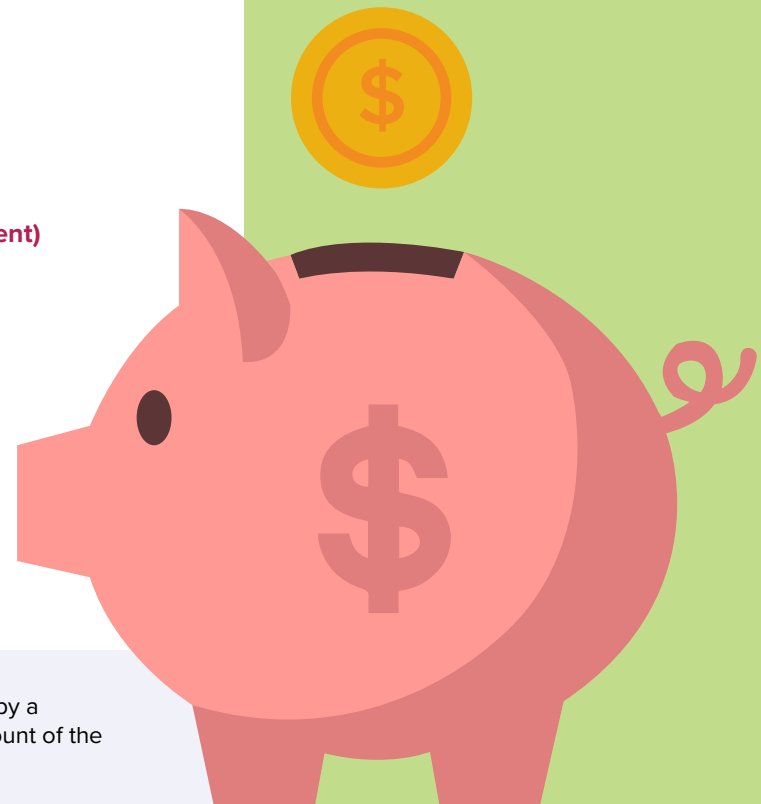
\$206

**Total interest paid + loan amount**

\$18,318 + \$31,020

**Total amount to be repaid**

\$49,338



**Interest** This is a loan expense charged for the use of borrowed money. Interest is paid by a borrower to a lender. The expense is calculated as a percentage of unpaid principal amount of the loan.



# How to Graduate on Schedule

Earning a college degree in the traditional amount of time is one of the things you can do to save on total college costs. The average number of years spent to complete a 4-year bachelor's degree continues to climb and is now [at least 4.4 years](#).

Here are four solid ways to graduate on schedule:

## Go for 15 credit hours

Students sometimes gravitate toward 12 college credit hours per semester because that's the minimum for full-time status. However, students need to average 30 credit hours per academic year to earn the 120 hours required for a bachelor's degree.

## Focus on a subject area

In the past, college students often held off on defining their field of study because of low tuition rates. The average annual increase in college tuition grew by nearly 260% from 1980-2014.

If possible, do some [return-on-investment homework](#) for academic degrees and have a defined subject area in mind. A great resource is the [U.S. Occupational Outlook Handbook](#), which is updated annually.

## Scheduled advisor time

Make it part of your routine to meet with an academic advisor before and during every academic term. Inform the advisor when a required course isn't available, or when encountering difficulty completing the course. Never "drop" a class without consulting an advisor or a faculty member.

## Avoid the fluff

The range of college courses has never been wider, and easy or trendy classes can be tempting. A course called "Texting Habits from Around the World" might be fascinating, but realize those tuition dollars might be better spent on required courses or electives needed to fulfill a degree plan.



## Hot Tip

More classes means more studying. Be aware of this as you decide how many or how few credit hours to take each semester.



## Set a Budget and Expectations

More than half of all college students outspend their money before the end of the semester, according to an [Edvisors survey](#).

Before you attend college, ask yourself this question: “Do I want to live well while earning my degree at the expense of living well after college?” Taking time to understand your true needs vs. wants will help you get a better idea about using your financial aid during college. This mature approach to making financial decisions will benefit you greatly by the time you graduate.

Few people really enjoy creating and following a written budget, but they do like the control it can provide over expenses. All appropriate categories and amounts are placed into a spreadsheet, with the goal of making “funds available” and “expenses” balance out. Tracking expenses daily or weekly by keeping a log will help you stick to the budget and identify opportunities to improve.

Everyone’s budget will look different, but basic categories to attach a dollar amount to include:

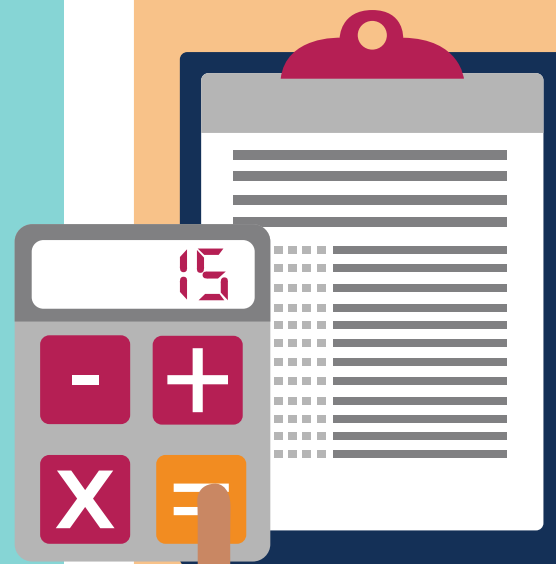
- Rent, including deposit and utilities
- Meals
- Books and school supplies
- Transportation
- Clothing/Seasonal gear
- Savings (carryover to next academic term)
- Social activities
- Summer storage
- Child care

Here’s a [sample budget](#) for an incoming student. Your budget will look different, adjusting for your academic major, living arrangement, lifestyle choices, etc.



### Hot Tip

If more loans are needed for school, always consider federal student loans first because private loans may have higher interest rates and require a credit check, a co-signer, or both.



## Essential Questions to Ask Financial Aid Staff

Making informed decisions about college costs, financial aid options, and awards will require conversations with financial aid staff. You'll have questions specific to your situation, of course, but [here is a list of questions](#) to help you get started.

## Financial Aid and Taxes

The Internal Revenue Service (IRS) provides a variety of tax incentives for higher education, and these can lower an overall income tax bill. Always check on this possibility with your tax return preparer or a financial counselor, as IRS regulations may have changed.

## Tax Credits

Tax credits typically are tied to yearly income amounts, and there are often other restrictions. The [American Opportunity Tax Credit](#) offers an annual credit per student, currently up to \$2,500, for the first four years of higher education.

The [Lifetime Learning Tax Credit](#) also offers an annual credit per taxpayer, currently up to \$2,000, but it is available for an unlimited number of college years.



Make the most of your educational investment. Study the course syllabus, do the readings before (and after) class, submit assignments on time, and show up for tests. College guides recommend students devote 2 to 3 hours of study time per credit hour.

## Tax Deductions

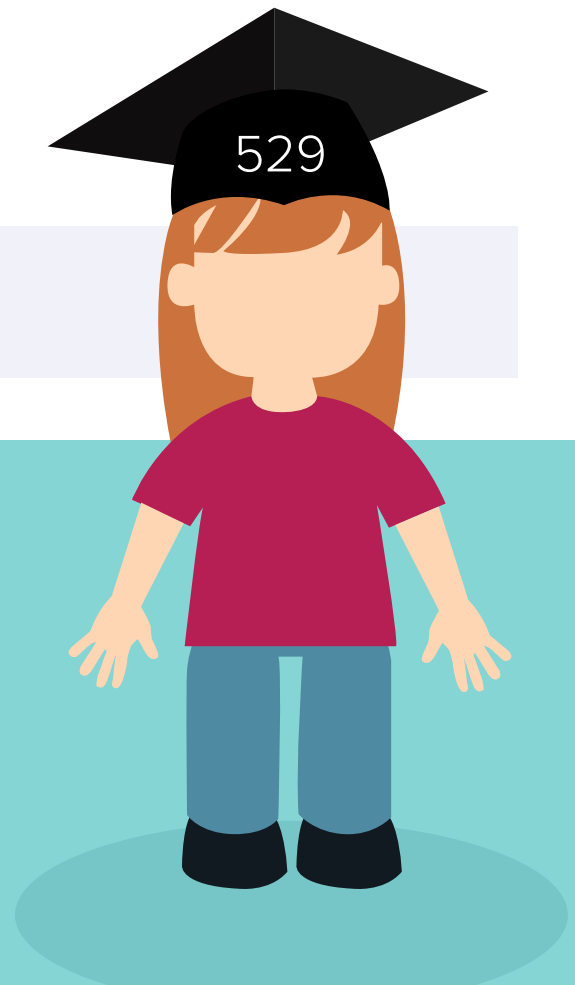
Tax deductions indirectly reduce taxes because they reduce the amount of income subject to taxes. Students or their families may be able to deduct tuition and fees paid of up to \$4,000 per year, and up to \$2,500 per year in student loan interest paid. The amounts must be documented, and student loan interest paid is reported on IRS form 1098-E.

## 529 Plans

State-sponsored **529 plans**, known as **qualified tuition plans**, allow tax-deferred earnings on contributions and are not subject to federal taxes when its funds are used to pay for eligible college expenses.

These 529 plans are best established when a student is a young child and are less helpful when established for older children or young adults. If you choose to fund a 529 plan, consider working with a financial planning expert who can help you understand and compare plans. If you have funds in a 529 plan, understand these funds can only be used for qualifying educational expenses.

**Qualified Tuition Plans (QTP)/529 Plan** These state-sponsored plans allow a contributor either to prepay a student's qualifying higher education expenses or to contribute to an account used for paying those expenses.



# Financial Aid is a Yearly Process

Once you begin receiving financial aid you'll want to make sure you keep receiving it for the entire time it takes to complete your education. **Financial aid does not automatically renew – you have to apply for it every year.**

When you think about the mathematical formulas and personal data involved, applying for financial aid each year in school makes sense.

For example, a family's employment situation may have changed, which could increase a financial aid award. Sometimes, tuition costs or fees change, which can affect the amount of funds the school has available.

## It Gets Easier Every Year

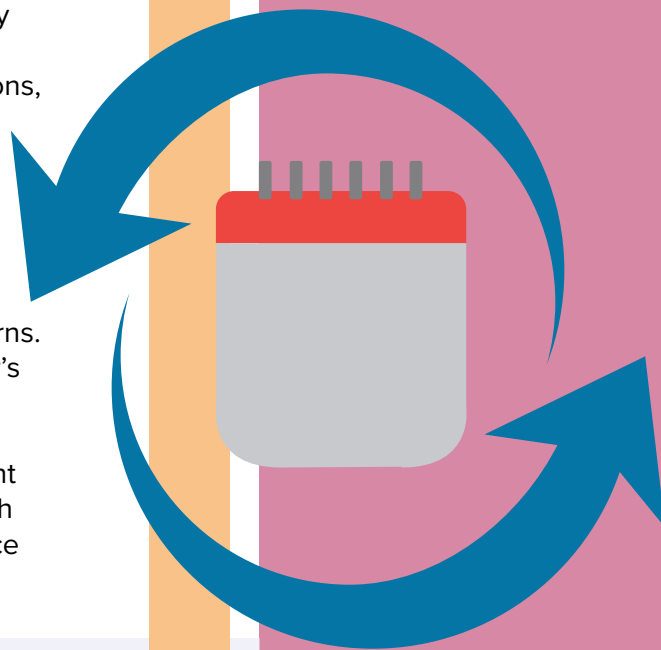
Although submitting the FAFSA is an annual process, most applicants say the process is generally more straightforward in subsequent years. The types of information needed are more familiar, and the terms, abbreviations, and definitions are more understandable. Reapplying online is easier because of the previously established FSA ID and its associated username and password.

A renewable FAFSA form will auto-populate personal information. If eligible, the **IRS Data Retrieval Tool** can then be used to auto-fill the FAFSA form with information from the appropriate year's federal tax returns. Using the IRS tool is optional, so there's still the ability to enter a tax year's information manually.

If the school participates in **Electronic Data Exchange (EDE)** or a payment service entity, the process of reapplying for financial aid can be done with the assistance of the financial aid office. Check with the financial aid office if this is not discussed during your financial aid counseling session.

**IRS Data Retrieval Tool** Allows students and parents who filed a U.S tax return with the Internal Revenue Service (IRS) to transfer the necessary aspects of their IRS tax return directly into the FAFSA form.

**Electronic Data Exchange (EDE)** Refers to any computer-to-computer exchange of business documents in a standard electronic format. In the student loan industry, a student's personal information is transmitted directly to computer systems that calculate financial aid.





# Section III:

## Repayment Options



# What to Know About Repayment

In most situations, scholarships, and grants – part of some financial aid packages – don't have to be repaid. Once awarded and used for educational expenses as intended, they have served their purpose.

Federal or private student loans – another part of most financial aid packages – are different because the loan amount, plus accumulated interest, must be paid back regardless of a student's economic circumstances.

Only in specific circumstances can loans be canceled or a **deferment** granted. The loan debt remains even if you leave college before graduation or you do not have the "right job" after any grace period.

## Steps Leading to Repayment

Repayment generally doesn't begin until six or nine months after one of three events:

- A student graduates
- A student leaves school
- A student drops below half-time enrollment (usually defined as 6 credit hours)

This time period, often called a **grace period**, gives the student time to establish a home and work situation, select a repayment plan, and set a budget.

At some point during the grace period, the student will likely receive a call from a company known as a loan servicer. The loan holder hires the **loan servicer** to assist with managing the loan repayment. While it may seem like the student would be referred to as the loan holder, the **loan holder** is actually the originator and owner of the loan.

**Deferment** A temporary postponement of payment on a qualifying loan in which interest generally does not apply.

**Grace Period** A period of time after you graduate, leave school, or drop below half-time enrollment when you are not required to make payments.

**Loan Servicer** A company under contract from the loan holder to service student loan payments, respond to customer service inquiries, and perform other administrative tasks associated with maintaining a federal student loan on behalf of the lender.



Correspondence from an unfamiliar loan servicer confuses some students because they're expecting to hear from the loan originator about their student loans. Be on the lookout for communication from the loan servicer, which is meant to help you. A loan servicer manages loan payments, communicates with the borrower, and does the administrative tasks regarding the student loan.

The loan servicer will communicate to you, in writing:

- The original amount borrowed
- The interest accrued and interest rate
- The current loan balance
- The grace period and when payments will begin
- Ways to pay and how to get questions answered

## Repayment Plans

For federal loans, there are three traditional repayment plans and four income-driven repayment plans. Loan servicer representatives are usually available via toll-free phone numbers and live chat applications to answer your questions. Loan servicer websites list repayment programs and describe who might qualify for repayment programs.

Because everyone's post-graduation situation is different, a student repaying a loan can look into a different repayment plan than initially outlined by the loan servicer.

What's most important is to always stay in contact with the loan servicer, even when you think you might not be able to make a payment that month. A **delinquent** loan can affect your credit score.

All loan repayment plans are subject to eligibility. For more details, [go here](#).

**Delinquent** A loan is delinquent when loan payments are not received by the due dates. A loan remains delinquent unless missed payments are made, or a deferment or forbearance period is granted.



# Traditional Payment Plans for Federal Loans

Just like in any loan arrangement that charges an interest rate, such as an auto or home loan, the longer the repayment period, the larger the amount to be paid back. For the plans described, realize there is a minimum monthly payment that's tied to the amount borrowed.

The loan servicer will provide you with a total cost of repayment, so make sure you understand the total cost of repayment goes up with a longer repayment period. You can get a good idea of what your monthly loan payment will be by using the [payment estimator tool](#) from [studentaid.gov](#).

## Standard Repayment Plan

- Repayment term: up to 10 years
- Payments are a fixed amount (minimum of \$50 per month)
- Lowest interest rate of all repayment plans

## Graduated Repayment Plan

- Repayment term: up to 10 years
- Low payments will increase every two years
- Payments must be at least equal to the loan's monthly interest amount
- Payments will not be more than three times any other monthly payment
- Results in paying more for the loan than other plans

## Extended Repayment Plan

- Repayment term: up to 25 years
- Payment amount ensures loan will be paid in 25 years, using either graduated or fixed payments
- Monthly payments will be lower than the 10-year Standard Repayment Plan



# Income-driven Repayment Plans

## Pay as You Earn Plan (PAYE)

- The outstanding balance is forgiven if the loan is not paid in full after 20 years. Any amount that is forgiven may be subject to income tax
- Maximum monthly payments will be 10% of your discretionary income and will never be more than the 10-year Standard Repayment Plan amount
- Payments are recalculated yearly according to income and family size
- If married, your spouse's income or loan debt will be considered when filing jointly
- Loan repayment amount is more than with the 10-year Standard Repayment Plan

## Revised Pay as You Earn Plan (REPAYE)

- Any outstanding loan balance will be forgiven if not repaid in full after 20 or 25 years. Any amount that is forgiven may be subject to income tax
- Monthly payments are 10% of your discretionary income. This is defined as the difference between total income and 150 percent of the applicable poverty guideline
- Payments are recalculated yearly according to income and family size
- If married, combined income or loan debt is considered regardless of filing status

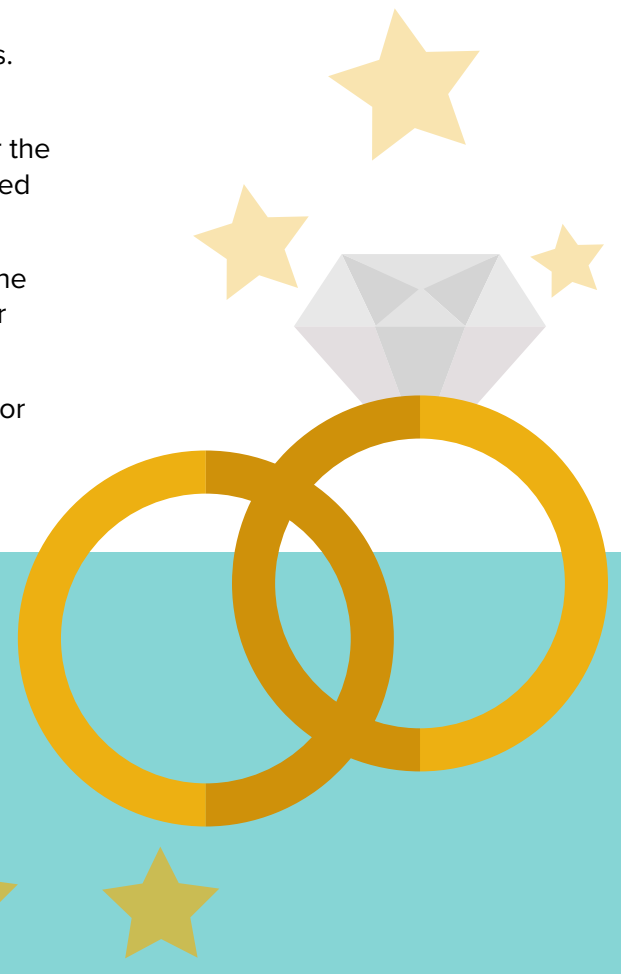


### Income-based Repayment Plan (IBR)

- Any outstanding loan balance is forgiven if the loan is not paid after either 20 or 25 years. Any amount that is forgiven may be subject to income tax
- Monthly payments are 10 or 15% of your discretionary income. Monthly payments will never be more than the 10-year Standard Repayment Plan amount
- Payments are recalculated yearly according to income and family size
- If married, spouse's income or loan debt will be considered if you file jointly
- Loan repayment amount is more than the 10-year Standard Repayment Plan

### Income Contingent Repayment (ICR) Plan

- Any outstanding loan balance is forgiven if the loan is not paid after 25 years. Any amount that is forgiven may be subject to income tax
- The monthly payment is the lower amount of 20% of discretionary income or the amount paid on a repayment plan with a fixed payment over 12 years, adjusted according to your income
- Payments are recalculated yearly according to income and family size, and the total amount of direct loans. Monthly payments can be more than the 10-year Standard Repayment Plan amount
- If married, spouse's income or loan debt will be considered if you file jointly, or direct loans are paid jointly with your spouse



## Federal Loan Consolidation

It's common to have several different federal loans after graduation, and one cost-saving tactic is to consolidate your federal loans. A **Direct Consolidation Loan** typically combines multiple federal education loans into one loan, resulting in as few as one payment per month instead of a payment for each federal loan.

Consolidating federal loans with a new private loan may mean losing such federal loan benefits as being paid in full if the student dies or becomes permanently disabled.

Information about consolidating federal student loans is available from the Department of Education at [studentaid.gov](https://studentaid.gov).

## Repaying Private Loans

Repaying private loans can be different than repaying federal loans. Private loans from banks and credit unions have their own payment terms and interest rates.

Each private lender gets to decide if it will offer student loan assistance such as a **forbearance** – an approved time period of no payments. Unlike federal loan programs, most private lenders provide only limited or no help in adjusting payments. Your best option for relief from private student loan repayment might be to [refinance your private loans](#).

**Direct Consolidation Loan** A federal loan made by the U.S. Department of Education that allows you to combine one or more federal student loans into one new loan.

**Forbearance** A period during which the monthly loan payments are temporarily suspended or reduced because of certain types of financial hardships. Interest continues to accumulate.



### Hot Tip

The U.S. Dept. of Education provides free assistance to all federal student loan borrowers.

To learn more about loan repayment topics, [go here](#).



## Loan Refinancing for Private Student Loans

Student loan refinancing can be worthwhile, but generally isn't as easy as getting a student loan. You'll want to explore the pros and cons of refinancing and consolidation before making any decisions.

In a **private loan consolidation**, you're exchanging one private loan for another with the goal of lowering the payment via a lower interest rate, changing the term of the loan repayment, or both.

A new private loan requires a new loan application. For refinancing, potential lenders will consider your **debt-to-income (DTI) ratio**, credit rating, availability of a co-signer, and other factors.

A comprehensive resource for learning about student loan refinancing options is [lendingtree.com](https://lendingtree.com).

**Private Loan Consolidation** The act of combining multiple student loans into a single student loan by way of a private financial institution. In some cases, consolidating multiple loans reduces the interest rate on the loan, extends the repayment term, or both.

**Debt-to-income (DTI) Ratio** This ratio is calculated by dividing total recurring monthly debt by gross monthly income. A DTI is expressed as a percentage.





# Section IV:

## Earning Your Degree From CUKC



# The CUKC Story

Cleveland University-Kansas City (CUKC) has the career answers you want.

When you have a sincere desire to master unique skills, help people live a healthier life, and continually challenge yourself in a job you can do well in each day, becoming a healthcare professional is a smart career choice.

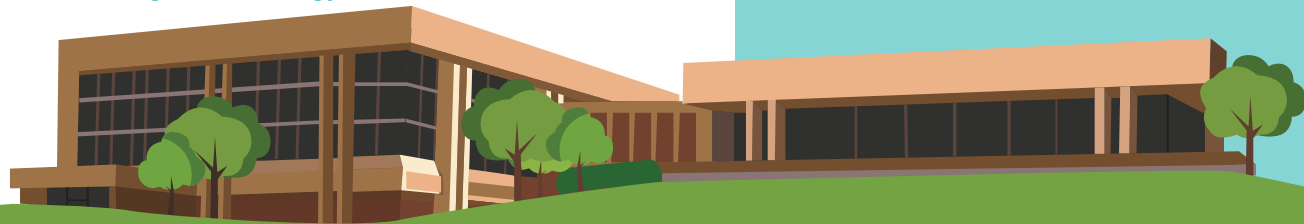
Cleveland University-Kansas City is made up of people who all want the same thing – to make a real difference in healthcare and the lives of others.

Many people know the “Cleveland” name because of our success as a chiropractic college, which extends back to 1922. The College of Chiropractic continues its strong tradition today – more than one out of every 10 doctors of chiropractic is a CUKC graduate.

Today, we continue our mission of educating and developing leaders in healthcare and health promotion in our College of Chiropractic and College of Health Sciences.

CUKC students can earn the following degrees:

- Doctor of Chiropractic
- Master of Science in Exercise Physiology/Sports Performance
- Concurrent B.S/D.C. Program
- Bachelor of Science in Human Biology
- Bachelor of Science in Exercise Science
- Associate of Applied Science in Occupational Therapy Assistant
- Associate of Applied Science in Radiologic Technology
- Associate of Arts in Biological Sciences
- Sports Performance Certificate

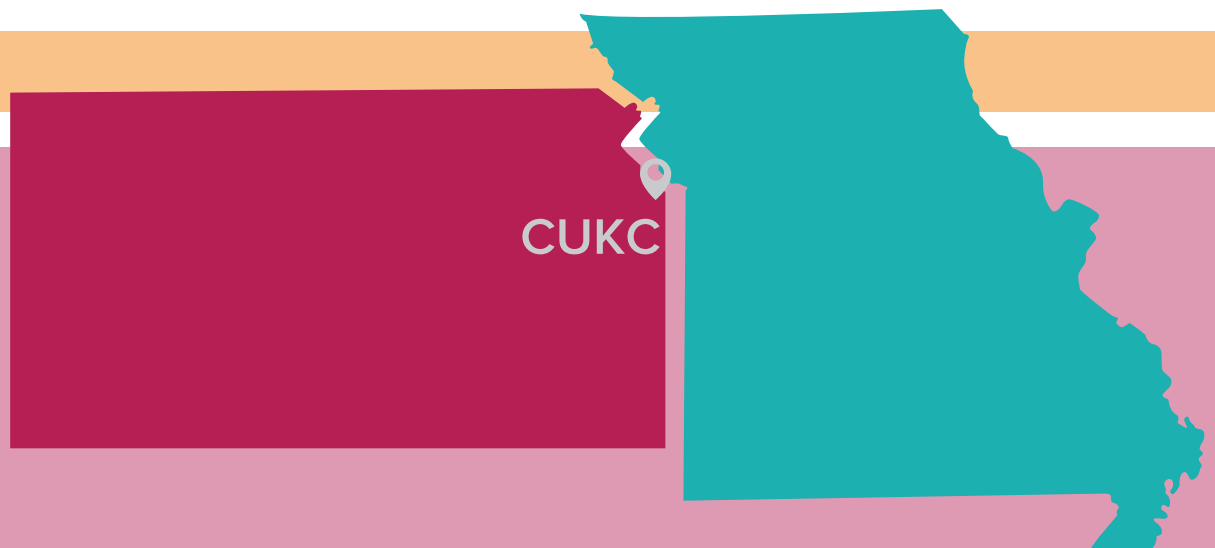


## A Location for Your Life and Work

A wise choice in where to go to school should also be a comfortable place to live. CUKC is in Overland Park, Kan., one of the largest and best-recognized suburbs in the Kansas City metro area.

- Overland Park, is a city of 195,000 residents within a 20-minute drive from Kansas City's downtown areas. The campus is known for its contemporary facilities, abundant green space, free campus parking, safe location, and convenient access to residential areas, eateries, restaurants, shopping, and interstate highways.
- Overland Park is an award-winning city: Recent achievements include:
  - [Top 25 Best Places to Live in the Midwest, Livability.com](#)
  - [Happiest Cities in America, WalletHub](#)
  - [Best Cities for Keeping Your New Year's Resolution, WalletHub](#)
  - [Best Cities for Jobs, WalletHub](#)

The 15-county Kansas City metropolitan area is not only home to nearly 2.3 million people, it's home to dozens of Fortune 500 employers and has a health care industry that includes regional and national hospital systems.



## We Have the Knowledge to Help You

Talking to people who know the major and minor aspects of getting into college – and paying for it – sounds like a good step, don't you think?

Allow us to introduce you to two of our in-house experts. Danielle Hicks and Melissa Denton personify the professionalism of this university, and the faculty and staff's devotion to helping today's college-bound students reach their potential.

Danielle, director of financial aid, and Melissa, director of admissions, assist in guiding CUKC students toward a positive, satisfying, and worthwhile college experience.

*"I tell our students when we discuss financial aid that we want to be their partners in achieving what they want to get from college."*

*"Our student packets are worded in plain language, and we make ourselves available whenever a student needs us. We meet with all prospective and incoming students. We also schedule time with all graduates and counsel them on loan repayment."*

**- Danielle Hicks**  
**CUKC Director of Financial Aid**

*"Each student is assigned a personal admissions advisor to help them determine the best path in achieving their career goals. We work together to match an academic program with the student's ability and desires. Our students are pretty surprised to find out how much time we spend with them before they start classes."*

*"Once a student is admitted to CUKC, we continue to meet with them to make sure they're aware of services such as free academic tutoring, access to the fitness center, and opportunities in student clubs and organizations."*

**- Melissa Denton**  
**CUKC Director of Admissions**



## Federal Financial Aid

Cleveland University-Kansas City is a participant in federal financial aid programs of the U.S. Dept. of Education. The CUKC school code to include in your FAFSA form is **014438**.

- William D. Ford Federal Direct Student Loans
- Federal Direct Grad PLUS Loans
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Federal Pell Grants
- Federal Work Study

## Scholarships at CUKC

Supporting our students is a priority. CUKC scholarship opportunities are available for various types of CUKC students. Scholarship applications for prospective students are accessible online. Each opportunity may have different eligibility standards.

Learn more about our available scholarships at our Financial Aid & Scholarships web page.

Please note the scholarship application deadlines for our academic year:

- Fall (September) Term      July 1
- Spring (January) Term      Nov. 1
- Summer (May) Term      March 1

Accepted CUKC students will have access to additional scholarship opportunities, such as those offered by the Cleveland College Foundation Fund, Inc.

The CUKC Financial Aid team also helps to locate additional scholarships and grant opportunities outside of the CUKC network. At CUKC, it's less about what scholarships are available and more about which scholarships to apply for first.



# Start Your Journey to a Career in Health Care Now!

[Schedule a Visit](#)



## Accreditation: Higher Learning Commission

<https://www.hlcommission.org/>

## Budgeting for College Expenses

<https://studentaid.gov/resources/prepare-for-college/students/budgeting>

## College Expenses and How to Plan for Them

<https://www.lendingtree.com/student/how-much-do-you-need-for-college/>

## College Financial Aid

<https://www.usnews.com/education/best-colleges/paying-for-college/articles/an-ultimate-guide-to-understanding-college-financial-aid>

## College of Chiropractic, CUKC

<https://www.cleveland.edu/academics/college-of-chiropractic>

## College of Health Sciences, CUKC

<https://www.cleveland.edu/academics/college-of-health-sciences>

## Degrees and Certifications, CUKC

<https://www.cleveland.edu/academics/degrees-and-certifications>

## Disability Accommodation, CUKC

<https://www.cleveland.edu/campus-life/students-with-disabilities>

## FAFSA Form

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

## Federal Student Aid

<https://studentaid.gov/>

## Federal Student Aid ID (FSA ID)

<https://studentaid.gov/help/create-fsa-id>

## Financial Aid & Scholarships Office, CUKC

<https://www.cleveland.edu/admissions/financial-aid-scholarships>



## What You Need To Fill Out a FAFSA Form

<https://studentaid.gov/help/info-needed>

## How Financial Aid Works

<https://www.princetonreview.com/college-advice/financial-aid-scholarship/financial-aid>

## Misconceptions About Financial Aid

<https://www.morningstar.com/articles/810360/5-misconceptions-about-college-aid.html>

## Overland Park, Kansas

<https://www.opkansas.org/about-overland-park/city-awards-and-honors/>

## Private Loan Options

<http://www.finaid.org/loans/privatestudentloans.phtml>

## Repayment of Student Loans

<https://studentaid.gov/manage-loans/repayment/plans>

## Student Loans

<https://www.businesswire.com/news/home/20180315005760/en/College-Ave-Student-Loans-Survey-Finds-College-Bound>

## Surprising Financial Aid Facts

<https://www.fastweb.com/financial-aid/articles/five-surprising-financial-aid-facts>

## Tax-deductibility for Educational Expenses

<https://www.irs.gov/newsroom/tax-benefits-for-education-information-center>





## Adjusted Gross Income (AGI)

A family's wages, salaries, interest, dividends, etc., minus certain deductions from income according to a federal income tax return.

## Cost of attendance (COA)

The total price of going to a particular college. It includes tuition, fees, room, board, books, supplies, meal plan, and other living expenses, such as transportation.

## Debt-to-income (DTI) Ratio

This ratio is calculated by dividing total recurring monthly debt by gross monthly income. A DTI is expressed as a percentage.

## Default

Failure to repay a loan according to the terms agreed to in the promissory note. For most federal student loans, that means past due by more than 270 days.

## Default Rate

The percentage of borrowers who fail to repay their loans according to the terms of the loans.

## Deferment

A temporary postponement of payment on a qualifying loan in which interest generally does not apply.

## Delinquent

A loan is delinquent when loan payments are not received by the due dates. A loan remains delinquent unless missed payments are made, or a deferment or forbearance period is granted.

## Dependent/Independent Student Status

Undergraduate students under age 24 as of December 31 of the award year are considered as "dependent" for federal student aid purposes unless they are married, have dependents other than a spouse, are an orphan, are a veteran or active duty member of the U.S. Armed Forces, or satisfy other criteria.



## Direct Consolation Loan

A loan that combines the loan amounts of two or more qualifying federal loans into one loan, allowing one monthly payment rather than a monthly payment for each individual loan.

## Direct Loan

A federal student loan, made through the William D. Ford Federal Direct Loan Program.

## Direct PLUS Loan

Federal loans available to parents or to graduate/professional students. The interest rate is higher than other loans available to undergraduate students, and borrowing limits are much higher. They're also frequently called Parent PLUS loans, and they're the only federal loan that requires a credit check.

## Electronic Data Exchange (EDE)

Any computer-to-computer exchange of business documents in a standard electronic format. In the student loan industry, a student's personal information is transmitted directly to computer systems that calculate financial aid.

## Expected Family Contribution (EFC)

A formula based on income, assets, and family size that estimates how much of a college's price tag you can, in theory at least, afford to pay.

## FAFSA

This form, the Free Application for Student Aid (FAFSA), is used to determine eligibility for student financial aid.

## Federal Student Loan

A loan funded by the federal government to help pay for your education. A federal student loan is borrowed money to be repaid, with interest.

## Federal Work-Study Program

A federal student aid program that provides part-time employment while you are enrolled in school to help pay your education expenses.



## Financial Aid

Any and all grant, scholarship, loan, or paid employment offered by an educational institution to help a student meet college expenses, such as tuition, fees, and other education-related items.

## Financial Aid Package

The total amount of financial aid (federal and nonfederal) a college offers a student.

## Financial Need

The difference between the cost of attendance (COA) at a school and the Expected Family Contribution (EFC). The COA varies from school to school, but the EFC does not.

## Forbearance

A period during which monthly loan payments are temporarily suspended or reduced because of certain types of financial hardships. Interest continues to accumulate.

## Full-time Student

In most cases, a student is considered full time by taking 12 units, credits, or hours per term at a college or university. However, each institution may calculate credits differently, so always check with the advising or financial aid staff to understand your student status, as this may have an impact on student aid eligibility, tax deductibility, or both.

## FSA ID

A username and password that provides access to Federal Student Aid's online systems. It can serve as a legal signature.

## Grace Period

This is a period of time after you graduate, leave school, or drop below half-time enrollment when you are not required to make payments.

## Grants

Money you don't have to pay back. Grants are generally based on financial need.



## Interest

A loan expense charged for the use of borrowed money. Interest is paid by a borrower to a lender. The expense is calculated as a percentage of the unpaid principal amount of the loan.

## IRS Data Retrieval Tool

Allows students and parents who filed a U.S tax return with the Internal Revenue Service (IRS) to transfer the necessary aspects of their IRS tax return directly into the FAFSA form.

## Loan Holder

A company or entity that is the owner of the loan promissory note.

## Loan Servicer

A company under contract from the loan holder to process student loan payments, respond to customer service inquiries, and perform other administrative tasks associated with maintaining a federal student loan on behalf of the lender.

## Merit Aid/Non-need-based Aid

This is money awarded without regard to financial need. It can be based on academic achievement, artistic abilities, leadership skills, or any other characteristic.

## Minimum Monthly Payment

The monthly payment required to repay a student loan and accumulated interest by the end of the loan repayment period, which may be 10, 15, or 20 years.

## Need-based Aid

Money awarded to students when their family can't afford to pay the full price of college. Need-based aid may come in the form of grants or scholarships, but it can also be loans with lower interest rates.



## Net Price

The amount you'll actually pay for college after accounting for tuition discounts, scholarships, and grants. For private colleges, this is usually far less than the advertised price. Net price is determined by taking the institution's cost of attendance and subtracting any grants and scholarships for which you may be eligible.

## Private Loan Consolidation

The act of combining multiple student loans into a single student loan by way of a private financial institution. In some cases, consolidating multiple loans reduces the interest rate on the loan, extends the repayment term, or both.

## Qualified Tuition Plan (QTP)/529 Plan

These state-sponsored plans allow a contributor either to prepay a student's qualifying higher education expenses, or to contribute to an account used for paying those expenses.

## Room and Board

A broad term that estimates the cost of living on or near campus, and food expenses during an academic term.

## Student Aid Report (SAR)

A paper or electronic document that provides basic information about your eligibility for federal student aid sources. The SAR is derived from answers you provide on your Free Application for Federal Student Aid (FAFSA).

## Tuition

Fees charged by educational institutions for college credit hours, instructional fees, or other services related to attending a college or university.

## Verification

The process your school uses to confirm that the data reported on your FAFSA form is accurate. Your school has the authority to contact you for documentation that supports income and other information that you reported.

