



# Your Guide to Paying for College

## 5 Steps to Get Started

Feeling overwhelmed on your options to pay for college? That's where we come in. Ascent's Guide to Paying for College has important dates, tips, and resources to help you launch your journey to paying for college.

**Here's how you can get started:**

STEP 1

**Understand Your Finances**

STEP 2

**Apply for Scholarships**

STEP 3

**Explore Your Money Options**

STEP 4

**Learn More About Private Student Loans**

STEP 5

**Do Your Research**



As former college students, we provide resources to help you throughout college, which may include links to third-party websites (where security and privacy policies may differ from Ascent's). [See our disclaimer.](#)

# 1 UNDERSTAND YOUR FINANCES

Before you start applying for financial aid or student loans, it's important to step back and understand just how much college will cost, how much money you and your family can put toward your education, and what the difference, or funding gap, may be.

## Create a plan.

Keep track of all the scholarships, grants, financial aid, and student loans you've secured. You can even use [Ascent's College Student Budget Calculator](#) to help determine your budget and calculate your total income and expenses or incoming funds.

## Calculate how much you need to borrow for the school year.

Not sure where to start? To help figure out your expenses, check your financial aid award letter for your school's cost of attendance. This is an estimate from your school, which may include expenses such as:

- Tuition
- Fees
- Housing and meals
- Books and supplies
- Transportation, parking, & travel
- Miscellaneous tech such as a laptop

## FAFSA Tips & What to Expect

First things first: What *is* the [FAFSA](#), anyway?

It's a free online application for financial aid eligibility for college. The application is used by schools to build your federal student aid package for one year of college. That package can include federal student loans, grants, work-study, and even state and school financial aid.

## Think of your post-grad lifestyle.

### REMEMBER

Whatever amount you borrowed to pay for college – whether it's a federal or private student loan – you'll have to pay it back (except scholarships and grants). Only borrow what you can afford to pay back post-graduation. You can stay ahead of the game by estimating your starting salary after college with [Ascent's Bright Futures™ Engine](#), a tool that helps you evaluate the return on your college investment.

Just select your school and major to see how much money you can expect to earn your first year after graduation. This will give you a better idea of how much you can potentially afford to borrow and pay back after college.

## Fill out your FAFSA.

### DON'T FORGET

Every October, the FAFSA is available for the next school year. Be sure to fill it out ASAP to meet school and state deadlines!

### HERE'S WHAT YOU'LL NEED

- The process is much easier when you have a username and password, or an FSA ID. If your parent is providing the information on your FAFSA, he or she will need his or her own FSA ID as well.
- Social Security Number or Alien Registration Number (if you are not a U.S. citizen)
- Your federal income tax returns, W-2s, and other records of money earned
- Bank statements and records of investments
- Records of untaxed income

### DON'T HAVE ALL YOUR INFO READY YET?

That's okay. Once you start the FAFSA, you can save it and come back later when you have all the documents you need in front of you!

Visit [studentaid.gov/dependency](https://studentaid.gov/dependency) to help determine your status as dependent or independent when filling out your FAFSA.

Even though the FAFSA runs through **June 30<sup>th</sup>** (a 21-month application cycle), you should file as soon as you can. Why? While it depends on the state and school, some FAFSA awards are first-come, first-serve or until funds are depleted. Other states, like California, have a much earlier deadline of **February 15<sup>th</sup>**, so it's important to do your research and pay attention to deadlines, no matter which state you're in.

# 2 APPLY FOR SCHOLARSHIPS

Let's talk about scholarships! When paying for college, it can be valuable to explore scholarship opportunities in addition to federal or private student loans. Scholarships are free money that you don't have to pay back, so apply for them early and often (believe it or not, there's no limit to how many you can apply for!).

## Don't know where to start?

A few of our scholarship do's and don't's to help you navigate this process:

### ✔ Do's

- ✔ **Start applying sooner rather than later.** Don't know what college you're attending yet? That's okay – keep applying for scholarships.
- ✔ **Double check the deadline and submission dates.** For most scholarships, you can start applying for them as early as you want.
- ✔ **Be patient.** The process can be pretty slow, so don't stress yourself out if you don't hear back immediately.
- ✔ **Continue applying to new scholarships** while waiting to hear back from those you've already applied to. To make it even easier, save your answers on a Word or Google doc before submitting on the online portal. There may be another scholarship opportunity with similar questions or prompts to answer.
- ✔ **Include letters of recommendation.** It can make all the difference in your application if that's what it allows. Make sure the letters you include are relevant, and you're confident in the person (or **mentor**) writing it for you.
- ✔ **Keep applying for scholarships** – whether you're a freshman or a senior, scholarships are available every year you're in school.

### ✘ Don'ts

- ✘ **Don't rule out no-essay scholarships.** Save yourself some time (and cover all your bases) by applying to all forms of scholarships. For example, you can enter for a chance to win **Ascent Student Scholarships** on Instagram – there are just three simple steps; no essay required.
- ✘ **Don't miss the deadline.** Stay organized and always aim to complete your application before the deadline, so you have extra time to fix or edit your application, just in case.  
  
**PRO TIP:**  
We recommend setting reminders in your calendar a week before the deadline, so you give yourself some extra time to complete applications.
- ✘ **Don't give out too much personal information.** Be wary of scholarships that want you to fill out your Social Security Number (SSN) or other bank details – it could be a scam. Make sure to vet and research every scholarship you apply for, big or small.

## Helpful Scholarship Tips

Whether you're off to college next year or in the next few months, here are 5 helpful tips to help you stand out from the crowd when applying for scholarships:



### ~~Profread~~ Proofread

Don't forget to check your work! Ask a friend who excels in writing to review it or engage with your favorite English teacher to edit your application or essay. It can also help to put your submission down for a day or two, reread it fresh and out loud to an audience, and ask for their first impressions and suggestions.



### Lose the cute email address

Say goodbye to "PartyMarti@gmail" or any other email address that does not give a professional or personal feel. Try an email that has your name with a number or two. Then, it'll be easier for scholarship committees to search for your specific submission by email.



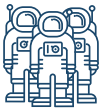
### Take a creative writing or video editing class

More and more scholarships offer video options for submissions. Uploading a video can be an awesome, equally innovative alternative if you struggle with writing essays. If you're looking for inspiration or need help mastering the art of the word, take a creative writing class to beef up your essay writing skills.



### Work on your communication skills

Mock interviews are a great way to get comfortable with the kind of questions you may be asked in a scholarship interview. Try to create "wow" responses by addressing questions with **S.M.A.R.T.** replies (*Specific, Measurable, Action taken, Results Achieved, Timeframe*).



### Keep building your team

Cultivate relationships with teachers, managers, peers, and counselors that will serve as references on your scholarship submissions. Help your reference writer by providing bullet points about the scholarship, the selection criteria, your resume, and certain qualifications that you want mentioned. This goes a long way in helping them draft a meaningful recommendation letter.

## REMEMBER

If you win a scholarship, don't forget to tell your school. It could affect the amount of financial aid offered to you. Ask your school about their outside scholarship policy so you can prepare for how this could impact you.

# 3 EXPLORE YOUR MONEY OPTIONS

Check the mail, check your inbox, and then check out what your prospective college offered you! When your school's financial aid office sends you an offer, they'll ask you to indicate which financial aid options you want. It's time to look carefully at all your options and make an informed decision!

## Borrow only what you need.

If you know your living expenses won't be as high as the amount estimated by your school, you can **turn down the loan or request a lower loan amount**. To help determine how much money to accept, make a list of your school-related and living expenses, as well as the resources you'll have available to pay them.

### DON'T FORGET

If you don't accept the full amount of the loan you're eligible for, you can increase the amount later.

## Terms to Know

The world of student loans can be challenging to navigate. To help you get started, we've defined the most common private student loan terms.

### FIXED RATES

When you apply for a private student loan and select a fixed rate, your interest rate is set the day you start your application and does not change no matter how much the market fluctuates.

### VARIABLE RATES

With a variable rate loan, your monthly payment may be more or less every month. Your interest rate is dependent on market changes over your loan term and may increase or decrease over time.

### DISCOUNTS

Some lenders offer discounts for signing up for automatic payments or submitting good grades.

### ELIGIBILITY

Specific requirements need to be verified and approved for a private student loan, depending upon the lender's eligibility requirements. These requirements might include credit score, credit history, debt-to-income (DTI) ratio, proof of income, etc.

### COSIGNER RELEASE

Some lenders might offer an option to release your cosigner and continue with the loan only in your name if you meet certain criteria.

### DEFERMENT

An agreement between the borrower and the lender that the borrower may reduce or postpone repayment of a student loan for a designated period. This will prevent the loan from going into default but may increase the overall cost of the loan. With a forbearance, your interest will continue to accrue on your loan, but it's important to check with the lender's deferment or forbearance period and terms first.

If you have more questions, read up on some important terms to know and get answers on our [FAQ page](#).

# 4 LEARN MORE ABOUT PRIVATE STUDENT LOANS

When grants, scholarships, and federal student loans aren't enough, you can turn to private student loans to cover the cost of your education. Private student loans work differently than federal loans, so it's important to understand what to expect when borrowing from a private lender.

## What is a private student loan?

A private student loan can be taken out for college expenses like tuition, fees, and housing. Unlike federal loans, private student loans are funded by banks and other lenders that set their own criteria for their loans.

To qualify for a private student loan, you'll need to meet the lender's criteria, which typically considers factors such as creditworthiness, income, school, program, cost of attendance, and other factors.

### TIP

If you can't qualify for a loan in your name for the full amount you need, applying with a creditworthy cosigner might help. Cosigners have an obligation to make payments and be fully responsible for repaying the loan if you default. What's the advantage? If your cosigner has a higher credit score and verified income, you may qualify for a lower interest rate. P.S. With Ascent, you can [check your rates](#) with or without a cosigner without impacting your credit score.

## Benefits of private student loans

Private student loans can be a great option for you if you need additional support to pay for the upcoming school year. Some benefits of private student loans might include:

### BETTER CREDIT, BETTER REWARDS.

While credit doesn't matter with most federal student loans, private student loans are different. With private student loans, you could be rewarded if you have good credit. Some lenders even offer discounts for signing up for automatic payments or good grades.

### FIND YOUR FINANCIAL FREEDOM.

Junior and senior students may choose to apply for [an Ascent loan without a cosigner](#). Other students can choose to [apply with a cosigner](#).

### TIP

If you apply for Ascent's cosigned loan, you can release your cosigner after making twelve (12) consecutive, full principal and interest payments on-time or an equivalent prepayment amount and meeting other eligibility criteria.

# 5 DO YOUR RESEARCH

Let's face it--student loans can be complicated. Even worse, misinformation can lead to costly mistakes and hold you back from reaching out when you need help. Instead of perpetuating bad habits, let's **bust the top private loan myths!**

## Myth #1

### **Private loans are always the worst option.**

While federal student loans typically have more flexible benefits for repayment and forgiveness than private loans could offer, that doesn't mean they're always the best option.

Private lenders can base interest rates on more factors than federal loan rates, which means if you have stellar credit, you may qualify for lower interest rates on a private student loan.

## Myth #2

### **All you need is good credit.**

Normally, there's more to the eligibility process for private student loans than just good credit. Private lenders might factor in a borrower's debt-to-income (DTI) ratio as well as your employment history. What does this mean? A good credit score is often only one piece of the puzzle.

#### **TIP**

Ascent doesn't consider your debt-to-income (DTI) ratio when evaluating your loan application.

## Myth #3

### **If you find yourself in a situation where you can't afford your monthly payment, skipping one won't hurt you.**

Don't go straight to stressed – reach out for help. Your lender may be able to work with you and help you stay on track during a period of financial hardship. For Ascent Loans, if you have trouble making a payment, reach out to Launch Servicing ([customerservice@launchservicing.com](mailto:customerservice@launchservicing.com)) as soon as possible to understand your options.

We know it can feel overwhelming to reach out to a lender, but we don't bite, we promise! We're here to help you.

#### **TIP**

Looking into deferment or forbearance? We have both available – learn more about those options on our [FAQ page](#).

## Myth #4

### **You can't get out of default.**

Federal loans are more regulated, but private loans don't necessarily follow the same guidelines. Reach out to your lender and work with them for a plan to get back on track. After all, it's in everyone's best interest to get your loan in good standing and back into repayment.





# Explore Other Student Benefits

At Ascent, we're here to help navigate your financial journey. We're all about benefits that put you first. Explore a few of our other student benefits that are guaranteed to be out of this world:

## AscentUP

Gain access to interactive college resources and coaching dedicated to boosting your financial, academic, and career success. We're here to support this next phase of your journey in building your confidence, developing new skills, and jumpstarting your dream career.

## Ascent Rewards

At Ascent, we're here to help navigate your financial journey. We're all about benefits that put you first. [Explore a few of our other student benefits](#) that are guaranteed to be out of this world!

## Refer A Friend

Want to be [friends with \(financial\) benefits](#)? At Ascent, you can. Earn up to \$525 for each friend you refer – there's no limit to how much you can earn! Refer your friends, classmates, neighbors, Animal Crossing buds...whoever you know who needs help paying for college. You earn money if a referred friend applies and is approved, and you both earn money when the loan is disbursed.

## 1% Cash Back

As if a cap and gown isn't cool enough when graduating, imagine getting some money back? If you meet all of the criteria with Ascent, you can get 1% Cash Back after graduation! [Learn more to find out if you qualify!](#)

Learn more about Ascent Funding at [AscentFunding.com](https://AscentFunding.com).

## Follow us for financial wellness tips!

