

10 Steps to Financial Fitness

Visit

<http://www.mappingyourfuture.org/>

to learn how to:

- *Understand the student loan process.*
- Repay your student loan, and know your options if you run into trouble.
- Manage Your Finances and take a simple test to see if your financial situation is getting out of control.
- Follow simple steps that will teach you how to balance your checkbook online.
- Keep your “wants” under control by establishing a budget and sticking to it.
- Build a savings plan, and make your money grow through investments.
- Use your credit cards wisely to establish a solid credit rating, and avoid financial problems.
- Request a credit report, and understand its key elements
- Clean up your credit and avoid bankruptcy.

New Disclosure Requirements for Private Educational Loans

The [Higher Education Opportunity Act of 2008](#) mandated a number of significant changes to provide a significant amount of additional information to families who choose to utilize private educational loans. The regulations change the disclosure requirements for the [Truth In Lending Act \("TILA"\)](#) for **private education loans** made expressly for post-secondary education expenses.

These regulations will go into effect on **February 14, 2010**. The regulations require lenders to produce the following disclosures to borrowers :

- *Application and Solicitation Disclosure* - the lender must provide a **general range** of rates and fees so that borrowers can make informed decisions when choosing a private loan lender.
 - The "ASD" provides general information about interest rates, fees, default or late payment costs and repayment terms. In addition, it includes an example of the total cost of a loan based on the maximum interest rate offered by a lender, a defined loan amount and calculations for each payment option.
 - The ASD must also include eligibility requirements for the loan AND information on alternatives to private education loans. *The ASD is intended to be a tool for the applicant to use in comparing loan offers*
- *Loan Approval Disclosure* - When an applicant is conditionally approved for a loan, the lender must send this disclosure with borrower-specific rates and fees.
- *Final Disclosure* - This is sent to the borrower after the loan terms are accepted and the school has certified the students eligibility for the loan. The Final Disclosure gives the borrower a three business day right to cancel period.

In addition to these disclosures, a lender must obtain a signed and completed *Borrower Self-Certification* form from the borrower. This form is being created by the Department of Education. The self certification form will include information about the availability of federal student loans, the student's cost of attendance, estimated amount of financial assistance, and the difference between the student's cost of attendance and estimated financial aid.



Financial Aid Awareness Month

The purpose of **Financial Aid Awareness Month (FAAM)** is to inform and educate students and their families that college is attainable and that there are numerous sources of financial aid options available.

February is the key time to begin the application process for the upcoming school year in order to be considered for all aid programs offered at state and federal levels.

Students must annually complete the Free Application for Federal Student Aid ("FAFSA") in order to apply for all federal, state and institutional "need-based" aid programs.

For more information on completing the FAFSA, go to

<http://www.loyno.edu/financialaid/completing-fafsa>

Looking for Financial Aid? Don't Get Hooked by Misleading Offers

This is the time of year when many families start to receive direct mail solicitations from companies that offer to find financial aid opportunities for students.

How Do You Know Which Offers are "Scams" and Should Be Avoided?

Any organization that charges you a fee to complete the *Free Application for Federal Student Aid* ("FAFSA") should be closely examined. You can complete the FAFSA online at <http://www.fafsa.ed.gov/>. This is the official Department of Education site for completing the FAFSA . You can receive free help in completing the FAFSA through the online site or through the Office of Scholarships and Financial Aid

Any organization that charges you a fee for processing a scholarship application and tells you that the "scholarship is guaranteed or you will get your money back" should be closely examined. No one can guarantee that you will receive a scholarship before it has been awarded.

Any organization that tells you that you that they need your credit card information to "hold" your scholarship.

For additional information, visit the **Federal Trade Commission's dedicated page on Scholarship Scams** at <http://www.ftc.gov/scholarshipscams>

Outside Scholarship Information Sent to Loyola

We maintain a list of "outside scholarship" opportunities on our web site. You can utilize this list as a starting point in your search for additional resources. Begin your research at <http://www.loyno.edu/financialaid/outside-scholarship-programs> .

What Is A 1098-T Statement ?

The Taxpayer Relief Act of 1997 allows a tax credit to be claimed for out-of-pocket payments made to Loyola University New Orleans for the tax year for tuition and certain fees. The IRS requires that we provide the 1098-T statement to you for your use in completing IRS Form 8863. A detailed listing of charges, payments, grants and scholarships is available at our website through your LORA account at <http://www.loyno.edu/lora/>. We recommend that you refer to that information to assist in determining the amount of credit which may be claimed on your behalf. This information must not be construed as tax advice. The amounts and calculations used to determine the credit are the decision of the taxpayer after consideration of relevant IRS regulations, Form 8863, and, perhaps, the advice of a tax consultant.

For a list of "Frequently Asked Questions" About the 1098 Form, visit the Office of Student Finance's web site at <http://www.loyno.edu/studentfinance/taxcreditsand1098t.html>

Federal Tax Credits for Educational Expenses

Under the American Recovery and Reinvestment Act (ARRA) signed into law by President Obama on February 17, 2009, textbook and other course material expenses incurred in 2009 and 2010 that are not covered by scholarship or grant aid may be counted towards the newly created tax credit called the **American Opportunity Tax Credit** on that year's tax return.

According to the IRS, the new credit temporarily replaces and expands the previous Hope Credit for tax years 2009 and 2010, making the American Opportunity Tax Credit available to a broader range of taxpayers, including many with higher incomes **and those who owe no tax**.

It also:

- Adds required **course materials** to the list of **qualifying expenses**
- Allows the credit to be claimed for the first **four** post-secondary education years instead of **two**

Many of those eligible will qualify for the maximum annual credit of **\$2,500** per student, which is more than \$700 higher than the old Hope Credit, and, **for the first time**, will provide a partial refund of up to **\$1,000**.

For more information, go to

<http://www.irs.gov/newsroom/article/0,,id=213044,00.html>



College Goal Sunday

**February 21, 2010
2-4 pm Central Time**

College Goal Sunday is a FREE event designed to help college bound students and their families with the financial aid application process.

Financial Aid professionals will be on hand to help complete the necessary paperwork (Free Application for Federal Student Aid—FAFSA) to get the funding needed to go to college with a particular focus on helping low-income, first-generation college student families.

Louisiana families can find more information at <http://www.osfa.la.gov/CollegeGoalSunday.shtml> .

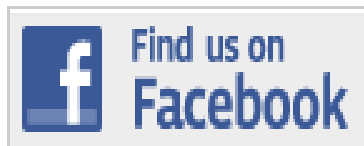
Families outside of Louisiana can find more information at <http://www.collegegoalsundayusa.org/> .

U.S. Senate Prepares to Begin Debate on **The Student Aid and Fiscal Responsibility Act of 2009**

The United States House of Representatives passed the **Student Aid and Fiscal Responsibility Act (HR 3221)** by a **vote of 253-171** on September 17, 2009. According to supporters, the bill ensures that higher education is more affordable at no additional expense to taxpayers. The aim of the bill is to ensure that more students will go to college, and that they will graduate with less debt. An additional goal is to strengthen federal student loan programs. The legislation will generate almost \$100 billion in savings over the next 10 years that will be used to increase Pell Grant scholarships, keep interest rates on federal loans affordable, and safeguard federal student loan access for families.

The United States Senate is scheduled to begin debate on this important legislation in February, we would like to encourage the community to learn more about the issues under discussion. We will be posting information, as we receive it, at <http://www.loyno.edu/financialaid/relevant-federal-legislation> .

To learn more about the potential impact of this legislation on the aid application process for the 2010-2011 academic year, go to <http://www.loyno.edu/financialaid/projected-changes-2010-2011-academic-year> .



Office of Scholarships and Financial Aid
 6363 St. Charles Avenue
 Campus Box 206
 New Orleans, LA 70118

(504) 865-3231
 (504) 865-3233 fax

e-mail: finaid@loyno.edu
www.loyno.edu/financialaid/

Important Web Sites

Office/Program	Web Address
Student Finance Office	http://www.loyno.edu/studentfinance/
Bursar's Office	http://www.loyno.edu/bursar/
Career Services	http://www.loyno.edu/careerservices/
Dining Services	http://www.loyno.edu/dining/
Residence Life	http://www.loyno.edu/reslife/
TOPS Scholarships	http://www.osfa.state.la.us/
Federal Student Aid	http://studentaid.ed.gov/
National Student Loan Data System	http://www.nslds.ed.gov/nslds_SA/