

## 3 Tips for College Students Facing Major Losses in Family Incomes

In these challenging economic times, the Oregon Student Assistance Commission wants college students and their families to understand their financial aid options. Despite dramatic economic challenges, both federal and Oregon state governments have kept need-based grants for students intact and, for many families, there is more aid available than ever before.

### **TIP #1 The first step in applying for financial aid is to complete the FAFSA!**

Every college student, regardless of income, is encouraged to complete the Free Application for Federal Student Aid (FAFSA) each year. You can complete and submit the FAFSA on-line at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). The FAFSA is the application used to determine your eligibility for the Oregon Opportunity Grant, the Federal Pell Grant, and many other grants, work-study, loans, as well as some institutional scholarships. The information submitted on the FAFSA includes your own and your family's income from the previous calendar year. Because your financial information may change from year to year, you must complete a new FAFSA each year.

You must submit the original 2011-12 FAFSA with tax year 2010 income information. You will want to complete the FAFSA as early as possible to be considered for all types of aid. If you have not yet filed your taxes for 2010, you can estimate your 2010 taxes and update that information on your FAFSA when you have completed filing your taxes. **Completing the financial aid forms early is the key to being considered for the maximum aid available** for the upcoming school year.

Given today's volatile economy, **you should complete the FAFSA even if you don't anticipate needing, or qualifying for, financial aid.** Unless you've completed the FAFSA, you can't be considered for many scholarships, grants, college work study, and loans. And if you are awarded loans you don't need, you can always decline them later.

**TIP #2 If something in your family's financial situation changes,** such as a job loss, catastrophic medical expenses, death or disability of a primary wage earner, you may need to provide additional documentation (tax forms, W2s, evidence of income reduction such as a layoff letter, last paycheck stub or unemployment

benefits, etc.) to your school's financial aid office to verify extenuating circumstances that affect your finances.

**The school financial aid office is the best place to review any reduction in your financial situation from one year to the next.** When they are working with students and families who are under lots of financial stress, financial aid professionals have one over-riding goal: to help the students locate and qualify for as much funding as possible – scholarships and grants – that will **not** require repayment.

**TIP #3 Those with federal student loans (Perkins, Stafford, or PLUS) who are faced with the loss of a job should contact their lender or servicer to see if they qualify for loan deferments due to unemployment or economic hardship.** A deferment, if approved, allows you to stop making loan payments for a specified period of time, such as 6 months, and may be renewed for up to 2 or 3 years based on documentation. If you are currently in the military, you may be eligible to receive a military deferment. In some cases, interest will continue to grow on these loans while you are not making payments, and only the lender or servicer will be able to tell you which of your loans may be interest free during this period. Once again, the lender or servicer (and in some cases your school) will be the first place to start to see what additional documentation may be needed. If you ever have issues that you cannot resolve with your student loan, you can contact the federal loan ombudsman at their website [www.ombudsman.ed.gov/](http://www.ombudsman.ed.gov/).

These are challenging times but there **is** help available. For more information about the Oregon Opportunity Grant, federal aid, and more financing information, visit [www.GetCollegeFunds.org](http://www.GetCollegeFunds.org).



The Oregon Student Assistance Commission (OSAC) administers a variety of state, federal, and privately funded student financial aid programs, including grants and scholarships, for the benefit of Oregonians attending institutions of postsecondary education. The agency helps over 50,000 Oregon students work toward their educational goals each year.