

Financing Your Education:

Your Future Is In Your Hands



Questions to Ask Before You Borrow

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Introduction

One of the most important decisions you can make in your life is how to pay for your education. Education as you may know is a very big thing for all of us. It is the key to our success. But, oftentimes this “big thing” is ignored because of financial problems. Thanks to some schools and institutions out there that financing your education can now be made possible. However, just as you investigate which schools have the best programs for you; it is still necessary that you gather information about how best to finance your education and your future.

Invest While You Can, But Be Careful!

It is often said that your education is a major investment in yourself. It is an investment of both time and money. You may be spending your limited resources now in the hope that you will realize a somewhat positive outcome on your investment in the future. It is best that you consider the time as well as money you will invest in your education, but along with this, the personal and professional goals you’ve set for yourself must also be given attention. Then, it is now time to make the best investment you can. There are some lending companies or persons you know who will support you where you can borrow even just the minimum amount necessary to fulfill your education aims. It is through this way that you will realize your financial and career goals as it maximizes the net return on your investment.

Perhaps it is also necessary that you consider some preparations for the financial aspects of your school, just as you are preparing for admission to and enrollment in the school of your desire. Many experts often say that even if your parents may be willing to carry your financial paperwork or any financial burdens there may be while you are in school, it is still best that you understand it too and become at least an equal participant in financing your education. In case you don't, you may find that financing your education can sometimes become overly confusing and complicated. Note that while you are in school and even after you left, you will be the one signing the promissory notes for any loans you borrow in order to finance your education. This just implies that you yourself will be legally responsible for your loans. Thus, understanding the terms and conditions of the loans you borrow will help you get out from any problem during the repayment period.

Questions to Ask Before Your Borrow

Before you borrow, it is necessary that you get answers to the most possible, important questions as you plan the financing of your education. The necessary questions to consider are the following:

1. What should I be doing now to get ready for meeting the cost of my education?
2. Are there eligibility requirements that I must meet in order for me to obtain support for my degree? If so, what are they?
3. What specific financing alternatives or programs are available to me at the school where I plan to apply?
4. How to apply for financial support and what applications are needed?

5. Is there a right time to apply for financial aid? When should it be and what are the application deadlines?
6. Will my parents be expected to provide any of their financial information or contribute to the cost of my education?
7. What they will do with the information I and my parents provide?
8. What necessary and unnecessary points should I know about the assistance I am offered like student loans, grants, or work study?
9. Is there any move that I can take to lessen the amount I have to borrow, yet still attend the school of my choice?
10. What do I need to consider or do once I arrive on campus to minimize how much I borrow?
11. What choices will I get for working while attaining my degree?
12. What possible impacts will the loans I borrow have on me after I graduated from college?

As you may notice, some of the above mentioned questions are general. They apply to any school you might attend. However, others are more specific to the programs, policies and procedures of every school you may be considering. So, what is best to do with these questions aside from seeking for answers is to evaluate these issues as you explore your financial options, in spite of where you plan to attend school. It is somehow worthy to note that financing your education requires a collaboration involving yourself, your family, as well as the school you attend. Your lender may also play a great part on it. Answering such questions should provide you the information you will need to make well-informed choices about how to finance your education, other than how to make the most of your education investment.

Where to Seek for Answers?

One of your most important resources to use in answering the above mentioned questions is probably the financial aid administrators at the schools you are considering. However, there are also some consult publications from funding organizations out there where you can seek for answers. Examples of them could be the state governments, lenders, and scholarship granting organizations. Several financial aid guidebooks are also available today from your local bookstore.

Perhaps another valuable and updated source of answers to such questions is the Internet. As you may know, many schools today have their own websites, which often cover information about the financial aid. Most of the lenders and other funding organizations even have websites as well. Typically, they offer information about financing your degree, the importance of good credit, managing your student loans while in school, and even repaying your student loans. There are also some interactive calculators online these days to help you plan your in-school and out-school budgets. These calculators are even useful when it comes to projecting the cost of your student loans.

Lastly, several websites that have been established by government agencies and other organizations to aid students with financing their education are now accessible. As often said, they may be a good place to start your search.

How Much Should You Borrow?

So you've found answers to those questions, do you? If so, it is necessary to note that before you place and strike your pen on any promissory notes, you should first take an organized step and identify how much you will really need to borrow.

There are actually several factors associated with the dollar amount you should borrow. Usually, the amount will greatly depend on the cost of attendance as established by your school; on the student loan limits established by the federal government and other student loan lenders; on your outstanding financial commitments like car loans or mortgages; other resources you may have such as savings accounts; and on the amount of the debt you can afford to repay once you leave school. Also note that the sum of these parts equals an educated estimate of your student loan amount.

Factors to Consider for Borrowing

Under the accepted standards of borrowing student loans, it is stressed that you can borrow up to the cost of attendance, as determined by your school, less other financial assistance you might be receiving. Other financial assistance refers to grants, work-study, and scholarships. And, the cost of attendance typically involves tuition, books, fees, room and board, and other miscellaneous living expenses.

Also, the cost of attendance as determined by your school has figures that are meant to apply to a wide group of students. Oftentimes, you may not need to borrow as much as your school allows. Note that it is best to borrow the minimum amount possible so that you can lessen your overall financial obligation later. Nevertheless, if you find that you really need a student loan amount that is more than the school has allotted, you actually have the right to appeal the decision. But, this is permitted as long as you do not surpass the maximum amount as established and maintained by the federal regulations.

If you prefer to consider borrowing student loans to finance your education, just expect that some of the lenders these days have

borrowing limits placed on student loans. For instance, the federal government places annual and aggregate borrowing restrictions on federal student loans, and the aggregate limit is usually the total amount that every student can borrow in the span of his or her education. Given this fact, it is then necessary to examine and evaluate the terms of every loan you plan to take on for the annual and aggregate loan restrictions.

Aside from that, carefully and honestly assess your current financial status, including any financial commitments you have made before entering the school of your own choice. Understanding the repayment obligations of every commitment you've made is the key here. Note that over time you will be responsible for these prior obligations in addition to any education debt you take on, and your education loans are not given to cover these prior obligations you have.

Finally, consider the realistic determination of your future income. You can perform some research on the current job market and start salaries in the area you plan to pursue. Just note that you will be paying for your education with your future income. So, when choosing a student loan program, be sure to do some investigations on the loans that offer you alternative repayment plans which can assist you in managing your payments, especially early on in your own career.

Conclusion

As mentioned, student loans can be a valuable investment, but they are also an important obligation that needs to be considered. In order for you to ensure a successful student loan repayment, you must make sure that you approach borrowing carefully and thoughtfully. This must

also be coupled with being realistic in your own budget as well as salary projections.