

PRIVATE FINANCIAL AID

PRIVATE SCHOLARSHIPS: There are many private scholarships available for students to help pay for college. Some are merit-based. Others are geared toward particular groups of people, such as military families (see <https://studentaid.gov/understand-aid/types/military>)

Sources of information for scholarships: Department of Labor Free Scholarship search tool: <https://www.careeronestop.org/toolkit/training/find-scholarships.aspx>; College Board scholarship search: www.bigfuture.collegeboard.org/scholarship-search; FinAid.Org: <http://www.finaid.org/scholarships/>; Financial aid office at a college or career school; High school or TRIO counselor; Your library's reference section; Foundations, religious or community organizations, local businesses, or civic groups; Organizations (including professional associations) related to your field of interest; Ethnicity-based organizations; Your employer or your parents' employers.

A scholarship will affect your other student aid because all your student aid added together can't be more than the cost of attendance at your school.



Private Student Loan Repayment

Private student loans don't offer as many repayment options as federal student loans.

If you aren't able to make your payments, the debt will follow a path similar to other consumer debt (such as credit card debt).

Delinquency: Borrower is late on a payment.

Charge-Off: After 120 or 180 days, lender reports debt as loss for accounting purposes. Borrower is still liable for debt.

Sale to Debt Buyer: Original lender sells debt to debt buyer for much less than the debt balance.

Lawsuit: Owner of the debt (original lender or debt buyer) sues the borrower.

Judgment: A court judgment can result in garnishment of your wages or a lien on your property.

At any point in this timeline, you can always try to work out a settlement with the lender or debt buyer.

If you would like further advice about choosing a school, applying for financial aid, or dealing with your student loan debt, you can also contact us.

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PAYING FOR COLLEGE: KNOW YOUR OPTIONS

2/2

There are many different options to help you pay for college. You may be able to pay for some or all of your education through a combination of these options. You should not have to pay anyone to help you apply for financial aid. You can learn about these and apply for free. This guide covers California and private financial aid resources.

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CALIFORNIA STATE FINANCIAL AID

Students in California can apply for various scholarships, grants, and educational benefits. Students should explore the programs below to reduce the cost of college and therefore reduce the amount of student loans they need to take out. Visit <https://www.csac.ca.gov/financial-aid-programs> for more information.

Cal Grants – available for students with financial need who maintain satisfactory academic progress at University of California (UC), California State University, or Community College.

Chafee Grant for Foster Youth – for students who were in foster care between the ages of 16 and 18 as a dependent or ward of the court and have financial need. May qualify for up to \$5,000 a year for career and technical training or college.

Middle Class Scholarships –provides undergraduate students, including students pursuing a teaching credential, with family incomes and assets up to \$177,000 a scholarship to attend or UC or CSU campuses.

National Guard Education Assistance – educational incentives for active member in the California National Guard, the State Military Reserve, or the Naval Militia.



Law Enforcement Personnel Dependents Grants

– need-based educational grants to dependents and spouses of California peace officers and permanent/full-time firefighters who have been killed or became 100% disabled while on duty.

CalVet Education Benefits –education benefits and fee waivers available for veterans who meet certain criteria and their dependents. Visit:

<https://www.calvet.ca.gov/veteran-services-benefits/education>

SPOTLIGHT: California Promise Grant for Community College

The California Promise Grant waives enrollment fee (tuition) at any California community college throughout the state!

Based on financial need (there are different ways to qualify, so it's best to apply and see).

Does not cover textbooks, supplies, housing or transportation.

For more information about financial aid to attend Community College, go to <https://icanaffordcollege.com/FAQ#california-college-promise-grant>

HERA is a not-for-profit legal services organization dedicated to economic justice. For additional information or to request assistance, please contact us at inquiries@heraca.org or (510) 271-8443 ext. 300

Federal Student Loans

Fixed interest rate- usually lower than that of private loans and credit cards.

No credit check or a cosigner necessary (exception: Direct Plus loans).

No repayment until after you leave college or drop below half-time.

Government may pay the interest on some loan types while you are in school and during some periods after school if you have financial need.

Flexible and income-driven repayment plans and options to postpone your loan payments if you're having trouble making payments.

Loan forgiveness for borrowers who work for the government or certain non-profit organizations after 120 qualifying payments.

Discharges available under certain circumstances, like permanent disability.

Private Student Loans

Interest rates tend to be higher than those of federal student loans.

Eligibility depends on your credit score.

Some lenders require **payments while you are still in school.**

Private loans **do not have loan forgiveness or income-based repayment programs.** These are only available for federal student loans.

Private student loan debt is **treated much like other consumer debt**, such as credit card debt