

EXCLUSIVE WEBINAR SERIES FOR PUBLIC SCHOOL EMPLOYEES

# A Guide to College Funding

Key Strategies and FAFSA Prep

*March 10, 2026*

# Student loan guidance when it matters most

**Horace Mann's Student Loan Solutions program** gives educators no-cost access to the tools and resources they need to take control of their debt.

- Navigate and apply for often-complex forgiveness programs
- Find savings on monthly payments
- Make college funding decisions
- Access to Loan Coaches for 1:1 assistance



**Melissa Hall, Tuition.io**  
**Team Lead - Education Services**

- CERTIFIED FINANCIAL PLANNER™ with over 15 years experience in the finance and education industries
- 3+ years of experience helping borrowers navigate complex financial and educational systems
- I'm here to empower borrowers with effective strategies to crush their student loan debt

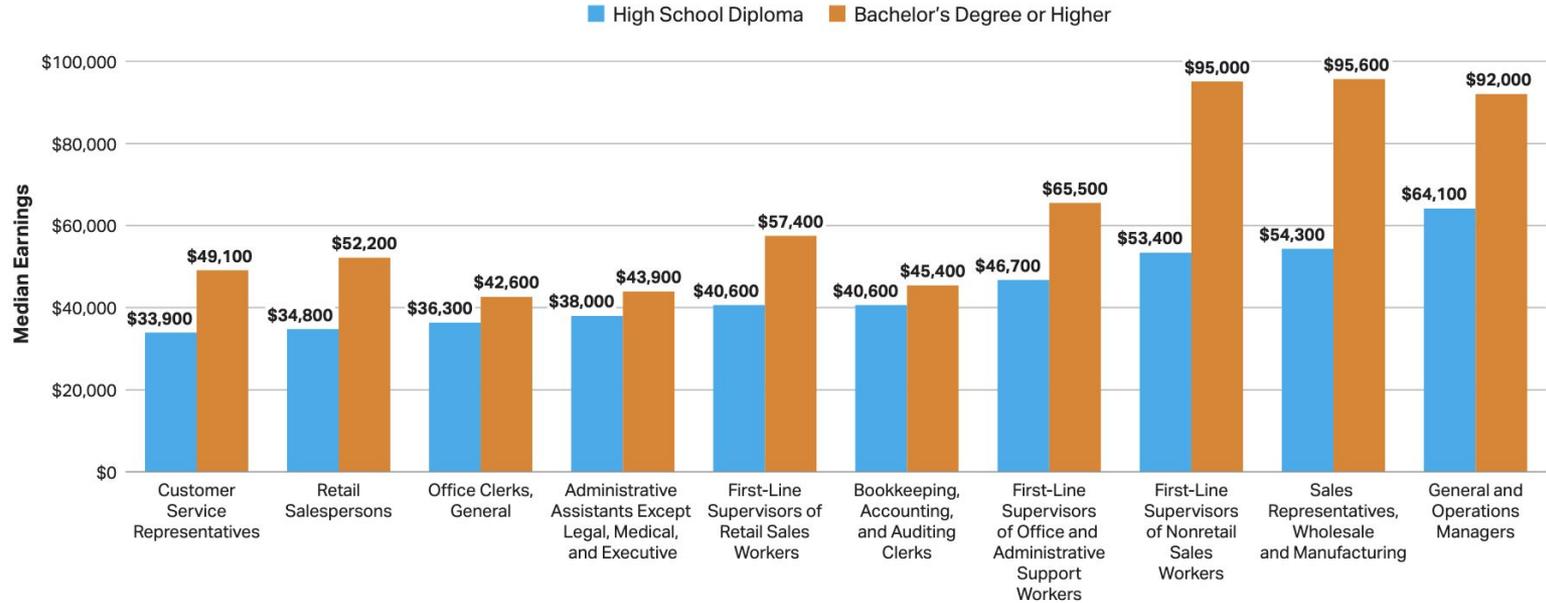
# Learning Objectives

- 1) Understand college costs and financial need
- 2) Review the process and timing of applying for financial aid
- 3) Review the key components of an award letter
- 4) Compare the different types of financial aid & upcoming changes
- 5) Determine whether Parent PLUS loans are right for your situation
- 6) Compare multiple strategies to save for college
- 7) Understand the optimal order for using funds to pay for college
- 8) Key Resources

**We'll also share common questions and open it up for Q&A**

# The Value of Higher Education

Median Earnings (in 2020 Dollars) of Full-Time Workers Age 25 and Older with a High School Diploma and Those with at Least a Bachelor's Degree, by Occupation, 2016-2020



Source: [research.collegeboard.org](https://research.collegeboard.org)

# College Costs and Financial Need

## Cost of Attendance (COA)

- Tuition & Fees
- Room & Board
- Books & Supplies
- Equipment & Transportation
- Miscellaneous Personal Expenses
- Child Care

## Student Aid Index (SAI)

- A calculated number used to determine financial need
- The lower your SAI, the greater your financial need

### **Federal Student Aid Estimator:**

<https://studentaid.gov/aid-estimator/>

### *Dependent Students*

$$\begin{array}{r} \text{Parent Contribution} \\ + \text{Student Contribution} \\ \hline = \text{Student Aid Index} \end{array}$$

### *Independent Students*

$$\begin{array}{r} \text{Student Contribution} \\ + \text{Spouse's Contribution (if married)} \\ \hline = \text{Student Aid Index} \end{array}$$

$$\begin{array}{r} \text{Cost of Attendance} \\ - \text{Student Aid Index} \\ \hline = \text{Financial Need} \end{array}$$

# Federal Financial Aid Awards

## 3 Types of Federal Student Aid

The infographic is divided into three teal-colored boxes, each representing a type of federal student aid. Box 1, labeled '1', shows a stack of papers with 'GRANTS' written on them, with the text 'Free money.' below. Box 2, labeled '2', shows a flag with a star and 'LOANS' written on it, with the text 'Borrowed money.' below. Box 3, labeled '3', shows a sign that says 'WORK-STUDY' and the text 'Earned money.' below. Below each box is a short paragraph explaining the aid type. At the bottom of the infographic is the logo for 'Federal Student Aid' and 'PROUD SPONSOR of the AMERICAN MIND'.

1	2	3
 <b>Free money.</b>	 <b>Borrowed money.</b>	 <b>Earned money.</b>
<b>Grants</b> are usually based on financial need and don't have to be repaid.	<b>Loans</b> are an investment in your future. But remember, they must be repaid with interest.	A <b>work-study</b> job lets you earn money while you're in school.

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of  
the AMERICAN MIND®

More than **\$130 billion** available  
in federal aid to help students pay for college

# Free Application for Federal Student Aid (FAFSA)

FAFSA is the **only** way to access federal aid:

- Federal grants, work study, and student loans

**Many colleges require FAFSA to award state and institutional aid**

**The FAFSA completion time frame is Oct 1 – June 30<sup>th</sup>**

- 26/27 FAFSA is open as of 10/1/25 and is filing for the 2026-2027 academic year (for most schools, the academic year is 7/1/2026 – 6/30/2027)
  - 2024 income tax information
- **<https://studentaid.gov/h/apply-for-aid/fafsa>**

# Who is Eligible for Federal Financial Aid?

- U.S. citizen or permanent resident
- Valid Social Security number
- High school graduate/GED holder
- Eligible degree/certificate program
- Satisfactory academic progress in college/career school
- No defaulted federal student loans
- Provide consent to have your federal tax info transferred directly into your FAFSA

# FAFSA Completion Overview

## To complete FAFSA you'll need:

- A StudentAid.gov account username and password
- Parent(s) & Student Social Security Number
- Federal income tax returns (pulled electronically from IRS)
- Records of child support received
- Your current balance of cash, savings, and checking accounts
- Bank statements and records of investments (if applicable)
- Records of net worth of investments, businesses, and farms
  - <https://studentaid.gov/2425/help/current-net-worth> assets that are included and excluded from the FAFSA
- Records of untaxed income (if applicable)
- The list of schools (up to 10) the student is considering

**Dependent Students:** Parents will provide their own tax & income information as well as the student's information

# CSS Profile

Online application that allows incoming and current college students to apply for non-federal financial aid.

- <https://cssprofile.collegeboard.org/>
- Application opens 10/1 each year
- **Colleges also require the FAFSA**
- Required by about 200 colleges & universities
  - Check your school's financial aid website to verify if they use CSS.
- Should be completed annually
- Available for domestic and international students
- Application typically has more customized questions and collects more detailed information than the FAFSA

# Anatomy of a FAFSA Award Letter

## SAMPLE UNIVERSITY DEPENDENT STUDENT AID OFFER EXAMPLE

Student Name  
Student Address  
Student City, State, Zip  
Student ID

### Estimated Annual Cost of Attendance (COA) 2024-2025 Award Year

Costs Payable to the University		Other Estimated Costs	
Tuition	\$15,915	Books & Supplies	\$820
Activity & Tech Fee	\$1,615	Transportation	\$1,735
Housing	\$6,510	Miscellaneous Expenses	\$921
Food	\$4,000		
<b>Total Costs</b>	<b>\$28,040</b>	<b>Total Costs</b>	<b>\$3,476</b>
<b>Total Estimated Cost of Attendance</b>	<b>\$31,516</b>		

### Other Financing Options

**Outside Scholarships**  
Scholarships are available from many sources including high schools, places of worship, civic groups, and parents' employers. We recommend that you check with your high school guidance counselor, the reference section of your library, and organizations in your hometown. Receipt of outside scholarships could affect your eligibility for certain aid types.

Cost of attendance

### Payment Plan

Sample University offers a 3-Pay tuition payment plan for those students who need to spread their tuition and fees across the semester.

### Private Student Loan

Contingent upon application approval from a bank, credit union, non-profit or state-based education finance organizations or online lender.

### Federal Parent PLUS Loan

Contingent upon parent application approval. Parent must not have adverse credit history. Must be repaid by parent.

Gift Aid

For more information on these additional funding options please visit: [www.financialaid.edu](http://www.financialaid.edu)

### Scholarships and Grants (refer to renewal eligibility on your student portal)

Aid Type	Fall 2024	Spring 2025	Annual
Federal Pell Grant	\$3,248	\$3,247	\$6,495
Federal Supplemental Educational Opportunity Grant	\$300	\$300	\$600
State Grant	\$450	\$450	\$900
Merit Based Scholarship	\$5,500	\$5,500	\$11,000
Institutional Scholarship	\$1,500	\$1,500	\$3,000
<b>Total Scholarships &amp; Grants</b>	<b>\$10,998</b>	<b>\$10,997</b>	<b>\$21,995</b>

Net Price

Your estimated net price (cost of attendance less scholarships and grants). This is based on your zero (0) Student Aid Index (SAI) and anticipated full-time (12+ credits, preferably 15 credits) enrollment.

\$9,521

### Next Steps

- Accept or Decline all aid offered in the finances section of your student portal.
- Provide required documents for verification if applicable.
- Check important financial aid deadlines listed on your student portal.

Federal Aid (loans) offered

Aid Type	Fall 2024	Spring 2025	Annual
Federal Direct Subsidized Loan*	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan*	\$1,000	\$1,000	\$2,000
<b>Total Aid Offered</b>	<b>\$2,750</b>	<b>\$2,750</b>	<b>\$5,500</b>

\*Federal loans are funds that can be applied toward your cost of attendance and must be repaid. You must accept/decline your loan eligibility by logging into your student portal.

Financial Shortfall

Estimated outstanding costs not covered by scholarships, grants and loans.

\$4,021

Sample University is committed to helping you navigate the financial aid process. Please contact our helpful, experienced staff members at the Student Financial Aid and Scholarships for help understanding your Financial Aid Offer.

Earned money

Aid Type	Fall 2024	Spring 2025	Annual
Federal Work-Study*	\$1,500	\$1,500	\$3,000

\* Federal Work-Study funds are contingent upon finding employment. Contact the financial aid office.

We look forward to serving you at Sample University and wish you the best in your academic journey. Please visit [www.sample.edu/admitted](http://www.sample.edu/admitted) for other important next steps.

## Key Items to Understand:

- Cost of attendance
  - Grants & Scholarships deducted
- Net Cost
  - This is what you will pay
- Total Aid Offered
  - Often federal student loans
- Financial Shortfall
  - Your financial responsibility remaining after all aid (including loans) have been applied
- Additional Options
  - Work study if offered

Financial Aid letters typically sent late Winter/early Spring

# Free Money: Grants & Scholarships

## Grants

- Generally need-based
- Doesn't have to be repaid

## Scholarships

- Merit-based
- Particular talent
- Area of study or interest
- Financial need
- Check for employer-offered scholarships
- Doesn't have to be repaid

# Earned Money: Work-Study

- Earn money to pay for school by working part-time on campus
- At least the current federal minimum wage
- Need-based
- Part-time or full-time undergraduate, graduate and professional students may be eligible
- Check with your school to see if they participate

# Direct Subsidized Loans

- Federal loan borrowed by the student for their own education
- Undergraduate student with financial need, doesn't require credit
- No interest accrual during deferment or grace period
- \$23k aggregate limit (\$3.5k first year)
- Fixed interest rate & six month grace period after graduation
- Most flexible repayment options; loan forgiveness

**No changes due to the Budget Reconciliation Act**

# Direct Unsubsidized Loans

- Federal loan borrowed by the student for their own education
- Undergrad/grad students no financial need, doesn't require credit
- Interest accrues continuously
- Fixed interest rate & six month grace period after graduation
- Most flexible repayment options; loan forgiveness
- Aggregate limit: \$31k-57.5k (undergrad)
- **Changes to graduate & professional loan limits after 7/1/26**
  - was previously \$138.5K (professional/grad)
  - \$100k for graduate education (doesn't include undergrad)
  - \$200k for professional education (doesn't include undergrad)

# Direct Grad PLUS Loan

- Federal loan borrowed by graduate/professional student for own education
- Must not have an adverse credit history
- You can receive up to the annual cost of attendance
- Fixed interest rates; higher than Direct Subsidized and Unsubsidized loans
- Flexible repayment plan options; loan forgiveness

## Changes to Grad PLUS Loans after 7/1/26

- Grad PLUS program eliminated for new borrowers
- If existing Direct loan borrower before 7/1/26 + enrolled in a credentialed program, can borrow from GradPLUS program for 3 academic years or the remainder of their expected time to credential, whichever is less

# Direct Parent PLUS Loans

- Federal loan borrowed by the parent for a dependent undergraduate student
- The parent is solely responsible for these loans
- Must not have an adverse credit history
- You can receive up to the annual cost of attendance
- Fixed interest rates; higher than Direct Subsidized and Unsubsidized loans
- Payments can be deferred while the student is in school, but interest accrues

## Changes to Parent PLUS loan limits after 7/1/26

- For new borrowers after 7/1/26 \$20,000 annual limit and \$65,000 lifetime max per dependent
- If a borrower has a Federal Direct Loan made before July 1, 2026, while the dependent student is enrolled in a credentialed program, the parent can continue to borrow up to the cost of attendance for 3 academic years or the remainder of their dependent student's expected time to credential, whichever is less

# Applying for PLUS Loans

## Specific application process for Grad PLUS or Parent PLUS loans:

- **Step 1:** Reach out to the financial aid office to find information on timing and deadlines to apply for PLUS loans
- **Step 2:** Consider borrowing the minimum amount necessary
- **Step 3:** Complete the PLUS loan application at <https://studentaid.gov/plus-app/>
- **Step 4:** Accept the PLUS loan for the amount you need (remember take only what's needed)

# Repayment Options for Parent PLUS Loans

## Taken out before 7/1/26

Limited access to flexible repayment plans and loan forgiveness

- Standard and Graduated Repayment
- Extended Repayment
- Income-Contingent Repayment if loans are consolidated
- Must be consolidated by 7/1/26 to retain access to Income Driven plans and forgiveness

## New loans taken out after 7/1/26

- Only eligible for New Standard Repayment Plan
- Not eligible for any federal loan forgiveness

## Other considerations

- Refinancing loans to transfer ownership to the student
  - Student must be creditworthy or you will still have to co-sign
- Consider how Parent PLUS repayment may impact your retirement

# Things to Know About Parent PLUS Loans

- **High Interest Rates** – Currently ~9%, making them more expensive than other federal loans and some private loans
- **May be easier to qualify** for than a private loan
- **Loan Origination Fees** – Over 4% deducted before disbursement, increasing overall costs
- **Debt discharged upon death** of student or parent
- **Loan will be in the name of one parent**

**Parent PLUS loans are the reason people in their 50s & 60s are the fastest growing age segment for student loan debt!**

# Private Student Loan Options

## Private Loans

- Issued by private lenders (banks, credit unions, private loan companies) to students and/or parents
- Often bridge the gap between financial aid and cost of attendance
- A credit check is required and often students will need a cosigner
- Interest rates are often the highest of all loan types (typically double digits)
- Limited repayment options available
- **Marketplaces:** Allow you to compare multiple private loan options

# Prepaid Tuition & IRA's

## Prepaid Tuition

- Allows for prepayment of future tuition costs at current tuition rates.
- Generally only apply to certain types of schools, and tuition is locked into in-state schools.
- Only covers tuition, unlike other savings plans; only available in 9 states currently (FL, MD, MA, MI, NV, TX, VA, WA)

## IRA (Roth & Traditional)

- Account will grow tax-free (Roth) or tax-deferred (traditional)
- Qualified educational expenses avoid 10% early withdrawal penalty
- Withdrawals from IRA are taxable and may be taxable from a Roth IRA
- Funds in IRAs are not counted as an asset on FAFSA forms
- Annual contribution limits and income limits for participation
- ***Consider carefully the impact on your retirement savings***

# Saving for College: 529's and ESA's

Tax-advantaged college savings accounts where earnings grow tax free & withdrawals for qualified educational expenses are also tax free

## 529 Plans

- Can make significant contributions
  - Account limits set by state
  - Avoid annual gift tax (\$19k/single \$38k/joint)
- Many states allow deductions for contributions
- Limited in their investment choices
- No beneficiary age restrictions
- Pay for a wide variety of education expenses

## ESA

- \$2000 limit on annual contributions
  - Reduced starting at \$95k (single) or \$190k (joint)
- Can't contribute if you make >\$110k (single) or >\$220k (joint filer)
- Wide variety of investment options
- Limit on the age you can contribute (18) and withdraw funds (30)

# Preferred Order to Use College Funds

- 1) **Free Money:** Scholarships or grants should be used first
- 2) **Earned Money:** If available, work study, 529's, & other savings can be used next, but balance this with subsidized student loans
- 3) **Subsidized Direct Loans:** If eligible, interest doesn't accrue on these during the education or grace period & they have flexible repayment
- 4) **Unsubsidized Direct Loans:** Interest accrues immediately but doesn't require a parental co-signer and tend to be much lower interest than private loans
- 5) **Direct PLUS Loans:** Interest accrues immediately; highest interest of all federal loans, still often less than private loans
- 6) **Private Student Loans:** Generally last choice due to double digit interest rates, most students will require parental co-signer.

# Common Myths

*“It’s not worth applying for the FAFSA because my family makes too much money”*

*“I don’t need to complete the FAFSA every year”*

*“Federal financial aid will pay for everything”*

*“I need to wait to apply until I know what school I’m going to”*

**FAFSA is necessary for more than loans and need-based aid, many institutions use it for merit-based awards**

# Common Mistakes to Avoid

- 1) Waiting until the last minute to apply for aid
- 2) Not registering for a Federal Student Aid account prior to completing FAFSA
- 3) Not listing all the schools you're interested in on your FAFSA
- 4) Using tax information from the wrong year

**Stay alert to avoid scams**

# Key Resources

## Scholarships

- Your employee benefits page
- [CSS Profile \(if your school uses\)](#)
- [College Board](#)
- [The University Network](#)
- [College Life Made Easy](#)
- [Scholarships.com](#)
- [Fastweb](#)
- [Lendkey](#)

## College Savings Strategy Overview

- [Nerdwallet](#)

## State Financial Aid

- [Ed.gov contacts](#)
- [NASFAA State Programs](#)

## FAFSA

- [FAFSA Form](#)
- [Assets to include/exclude on your FAFSA](#)
- [Determine if your parent is a contributor on your FAFSA](#)

## Understanding Loan Types

- [Direct Subsidized/Unsubsidized Loans](#)
- [Direct Parent PLUS Loans](#)
- [Federal student loans vs. private student loans](#)

## Budget Reconciliation Changes

- [NASFAA summary document](#)

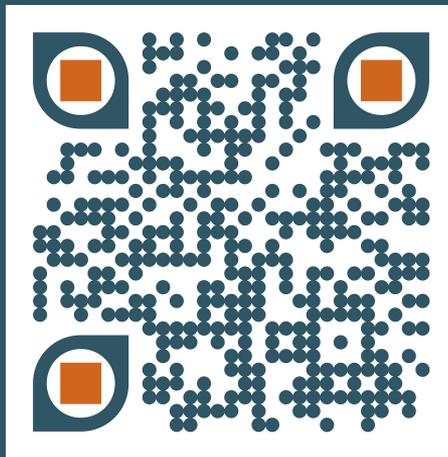
# Questions ?



# Thank you!

Join the Horace Mann Club today to get your no-cost Student Loan Solutions account and access to Tuition.io's student loan management tools and coaches.

[club.horacemann.com](http://club.horacemann.com)



For help registering or adding loans please contact Technical Support:

Email [support@tuition.io](mailto:support@tuition.io)

Visit [tuition.io/support](https://tuition.io/support)