

## **December 17, 2011 – Financial Friday**

It's time for another monthly installment of Financial Friday with good tips for you from the North Dakota Jump\$tart Coalition – a nonprofit coalition working to increase financial literacy for all North Dakotans.

Our guest today is Eric Wingenbach with Student Loans of North Dakota and NDCAN to talk about Student Loans and financial aid. Getting a college degree is a great investment that can help you become more skilled and well rounded; which often means increased job opportunities and income. Statistics show that people with a college degree have the potential to make a million dollars more than those with a high school education. With the current cost of education, many students need a loan to pay for college expenses.

## **January is Student Loan Awareness Month in North Dakota.**

### **1) How do students apply for loans?**

To apply for federal student loans, you need to complete the Free Application for Federal Student Aid (FAFSA). This should be done as soon as possible after January 1<sup>st</sup>, each year. With this application you are also applying for federal and state grants and work-study. ([www.fafsa.ed.gov](http://www.fafsa.ed.gov))

### **2) Is there an event in February where students can get help to complete the FAFSA?**

Yes, College Goal Sunday is being held February 13, 2011 in 11 towns across North Dakota. At this free event financial aid experts are on-hand to answer questions and help you fill out the FAFSA. You also can register to win a \$500 college scholarship or laptop computer. College Goal Sunday locations include: Belcourt, Bismarck, Dickinson, Fargo, Fort Totten, Fort Yates, Grafton, Grand Forks, Minot and New Town. The website for more information is [collegegoalnd.org](http://collegegoalnd.org).

### **3) How much should students expect to borrow?**

According to The Project on Student Debt, on average a 4-year undergraduate in North Dakota can expect to borrow around \$21,000. This means the average monthly payment on a 10-year schedule will be around \$235. You should work with a lender you trust and borrow only as much as needed.

### **4) What are the current interest rates?**

There are two types of Federal Stafford Loans, subsidized and unsubsidized. The government pays the interest on subsidized loans while you are in school. The current fixed rate on subsidized loans is 5.6%. Next school year the rate will be 4.5%. Unsubsidized loans have a fixed interest rate of 6.8%.

### **5) Do borrowers have repayment options?**

Students have 4 basic repayment options: Standard 10-year, Graduated Extended and Income Sensitive. Students should contact their lender before they enter repayment to set-up a repayment option that suites them best.

### **6) What should students do if they have trouble paying their student loans?**

If you are having trouble repaying your loans the first thing you should do is contact the lender to work things out. SLND offers many options such as deferments and forbearances which can either reduce or eliminate a student's payments for an agreed upon time frame. Students should also be aware that these benefits will be waived if they default on their loans. Always keep in contact with your lender to avoid default.

### **7) If people have further questions how do they contact you?**

Call us at 1-800-472-2166 extension 5660 or visit our Web site at [www.nd-can.com](http://www.nd-can.com) or [www.starthere4loans.nd.gov](http://www.starthere4loans.nd.gov).

Again, Financial Friday is brought to you through our partner – the North Dakota Jump\$tart Coalition - the non-profit group working across the state to help North Dakotans of all ages manage their money and make wise financial decisions.

- Acts as a financial literacy umbrella – connecting people to tools and resources
- We also
  - Educate through speaking engagements
  - Annual Conference- open to all – in April – check the website!
  - Clearinghouse of materials, resources and speakers online
- FREE membership gives you access to the latest ND Jump\$tart activities, events and materials
- FIND IT ALL - [www.ndjumpstart.org](http://www.ndjumpstart.org)