

Tips on How to Read Your Award Letter

Cost to Attend

- Letters with full disclosure will break down university estimated costs that include: room/board, tuition, housing/meals and even materials/fees for a total cost of attendance.
- Know the rules of the scholarship program before eliminating housing/meal plan costs; some scholarships require students to live on campus.
- Inquire about average course materials/fees that may be hidden. It can cost \$200+ in textbook fees alone for one course.
- Look for program premiums where applicable. These may not appear until stated on the first bill.

Scholarship Aid

- Many colleges only provide merit-based scholarships for the first year or make it a practice to renew scholarship aid at lower rates in subsequent years. Before assuming scholarships are renewable, understand the renewal criteria and rates for upperclassmen. Colleges offering renewability or scholarship awards to upperclassmen can be more affordable options in the long term.
- Universities can reduce or rescind an academic merit-based award based on final graduated high school transcripts rather than locking in a scholarship early with incentives to improve grades/test scores by high school graduation.
- Scholarship aid deducted from university cost provides the net price to attend—this is the true cost—use this figure for financial comparison purposes. Remember to include room and board fees if the awarded scholarships require it.
- The Pell Grant or other forms of aid that are usable at any university should not be included in the net price.

Federal Financial Aid

- All U.S. citizens who have a social security number and filed taxes are eligible to receive some form of financial aid as determined by FAFSA results.
- Schools may showcase the lowest possible out-of-pocket costs by using the tactic to package more loans than a student is actually eligible for.
- The Pell Grant is based on financial need, but many schools may base it on national averages (rather than identifying appropriate student need through FAFSA) and automatically apply to your bottom line, even if you're ineligible to receive it.
- The Federal Direct Loan will be broken out into a subsidized or unsubsidized allotment. A single lump amount may be provided because allocation varies from student to student.
- The Federal Parent PLUS Loan may deceptively list a much greater amount of PLUS loans, regardless of eligibility, in order to cover the outstanding balance and make it appear as if no out-of-pocket costs remain.
- Schools may award work-study when job placement is far from a guarantee.
- A transparent university will include the low-end of what a student can receive in federal aid, so that the remaining balance calculation gives the most accurate view of cost.

Estimated Remaining Balance

The remaining estimated balance (or bottom line) is common among award letters. As you consider this number, be cautious: Just because you see a \$0 out-of-pocket cost from a college's award letter doesn't mean that's what you will actually see on your first statement.