

Strategies for Paying for College

CFPB FinEx Webinar| March 25, 2021

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MISSION

The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Resources for financial educators

Find it at
consumerfinance.gov/adult-financial-education/

The screenshot shows the CFPB website's "Financial education for adults" page. At the top, there is a navigation bar with the CFPB logo, a search bar, and a "Submit a Complaint" button. Below the navigation bar, the page title "Financial education for adults" is displayed, followed by a brief introductory paragraph. A featured section titled "Two March webinars from CFPB FinEx" lists two webinars: "Strategies to pay for college" and "Understanding the women's wealth gap". Below this, there is a section for "Tools and resources to use with the people you serve" which includes an icon of a toolbox and a link to "Explore resources". The page also features a sidebar on the right with sections for "About us", "CONNECT WITH US" (including an email sign-up form), "CONNECT WITH OTHERS" (with a link to a LinkedIn discussion group), and "FURTHER READING" (with a link to a blog post).

An official website of the United States government

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Consumer Education Rules & Policy Enforcement Compliance Data & Research News

Financial education for adults

We help you help the people you serve. For adult financial educators, the tools here show our latest thinking on consumer financial behavior and effective financial education practices.

Two March webinars from CFPB FinEx

Strategies to pay for college: March 25, 2021, 2-3 p.m. ET;
Understanding the women's wealth gap: March 31, 2021, 2-3:30 p.m. ET

[View details and access previous webinars](#)

Tools and resources to use with the people you serve

We've gathered our tools, worksheets, handouts, and audio recordings by topic. You can use these resources with the people you serve. You can also [download the inventory](#) of materials that are available.

[Explore resources](#)

Resources for financial educators

Financial well-being

Following a rigorous research effort, the CFPB defined financial well-being and developed and

Five principles of effective financial education

The five principles build on insights about how

About us

We're the Consumer Financial Protection Bureau (CFPB), a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.

[Learn how the CFPB can help you](#)

CONNECT WITH US

Join the CFPB Financial Education Exchange (CFPB FinEx) to get the latest news, invitations to webinars, and to learn from your peers.

Email address

[Sign up](#) [See Privacy Act statement](#)

CONNECT WITH OTHERS

We also invite you to join our discussion group on LinkedIn, where we regularly post research, reports, and discussion topics.

[Join Financial Education Discussion Group](#)

FURTHER READING

Blog

[New guide helps military families with unique financial challenges](#)
JAN 27, 2021

[Listen to CFPB's new podcast episodes](#)

Key links for you

- Protecting Your Finances During the Coronavirus Pandemic:
consumerfinance.gov/coronavirus
- To order free, bulk copies of CFPB publications:
<http://promotions.usa.gov/cfpbpubs.html>
- To sign up for the CFPB Financial Education Exchange:
CFPB_FinEx@cfpb.gov
- To sign up for the CFPB Financial Education Discussion Group:
linkedin.com/groups/5056623
- CFPB Resources for Financial Educators webpage:
consumerfinance.gov/adult-financial-education

Rapid response– Financial protection during the coronavirus pandemic

The screenshot shows the CFPB website with a header in multiple languages and a navigation menu. The main content area features a large banner titled "Protecting your finances during the coronavirus pandemic" with a sub-headline stating the CFPB's commitment to providing up-to-date information. Below this, there are four resource cards: "Mortgage and housing assistance", "Managing your finances", "Student loans", and "Avoiding scams". A sidebar on the right is titled "FEDERAL CORONAVIRUS RESOURCES" and lists links to the White House Coronavirus Task Force, CDC COVID-19 page, and USAGov. At the bottom, there is a "Featured videos" section and a "FURTHER READING" section with a "Newsroom" link.

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Protecting your finances during the coronavirus pandemic

The CFPB is committed to providing consumers with up-to-date information and resources to protect and manage their finances during this difficult time.

[Español](#) | [中文](#) | [Tiếng Việt](#) | [한국어](#) | [Tagalog](#)

Resources to help you make financial decisions

- Mortgage and housing assistance**
If you're concerned about how to pay your mortgage or rent, we have information on what to do now, and what your options are for mortgage and rental relief.
[Learn about mortgage and housing assistance](#)
- Managing your finances**
We have resources to help you protect and manage your finances if you are facing financial difficulties as a result of the pandemic.
[See resources to help manage your finances](#)
- Student loans**
Student loan borrowers now have more benefits to consider when planning for the potential financial impact from coronavirus.
[Find resources for student loan borrowers](#)
- Avoiding scams**
Scammers are taking advantage of the coronavirus pandemic to con people into giving up their money.
[Learn how to protect yourself from scams](#)

Featured videos

[Newsroom](#)

FEDERAL CORONAVIRUS RESOURCES

- White House Coronavirus Task Force**
Information about COVID-19 from the White House Coronavirus Task Force in conjunction with CDC, HHS, and other agency stakeholders.
[Visit coronavirus.gov](#)
- Centers for Disease Control and Prevention**
The latest public health and safety information for United States consumers and the medical and health provider community on COVID-19.
[Visit the CDC COVID-19 page](#)
- USAGov**
Information on what the U.S. Government is doing in response to COVID-19.
[Visit usa.gov \(English\)](#)
[Visit usa.gov \(Spanish\)](#)

FURTHER READING

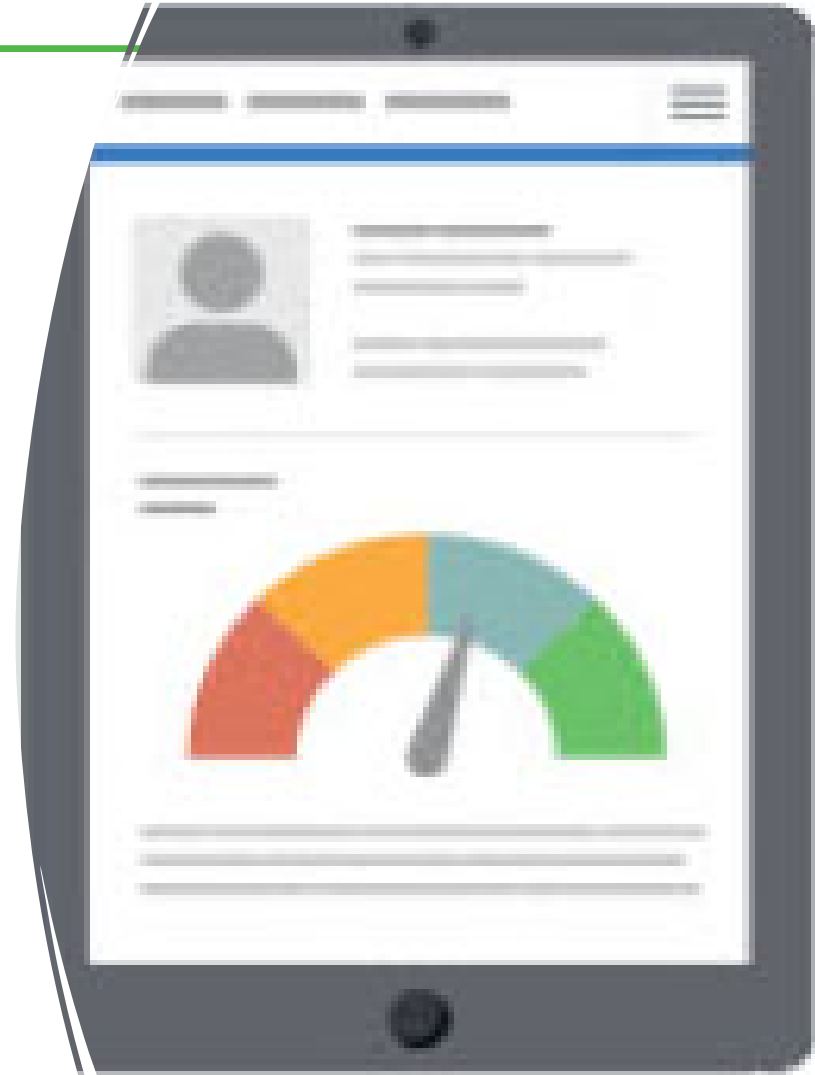
Strategies to Pay for College

Budgeting, Shopping for bank accounts, optimizing financial aid, and more | Spring 2021



Today's Discussion

- Budgeting
- Shopping around for bank accounts
- Optimizing Financial Aid
- Managing Student Loans During COVID-19
- Additional CFPB Resources
- Wrap Up



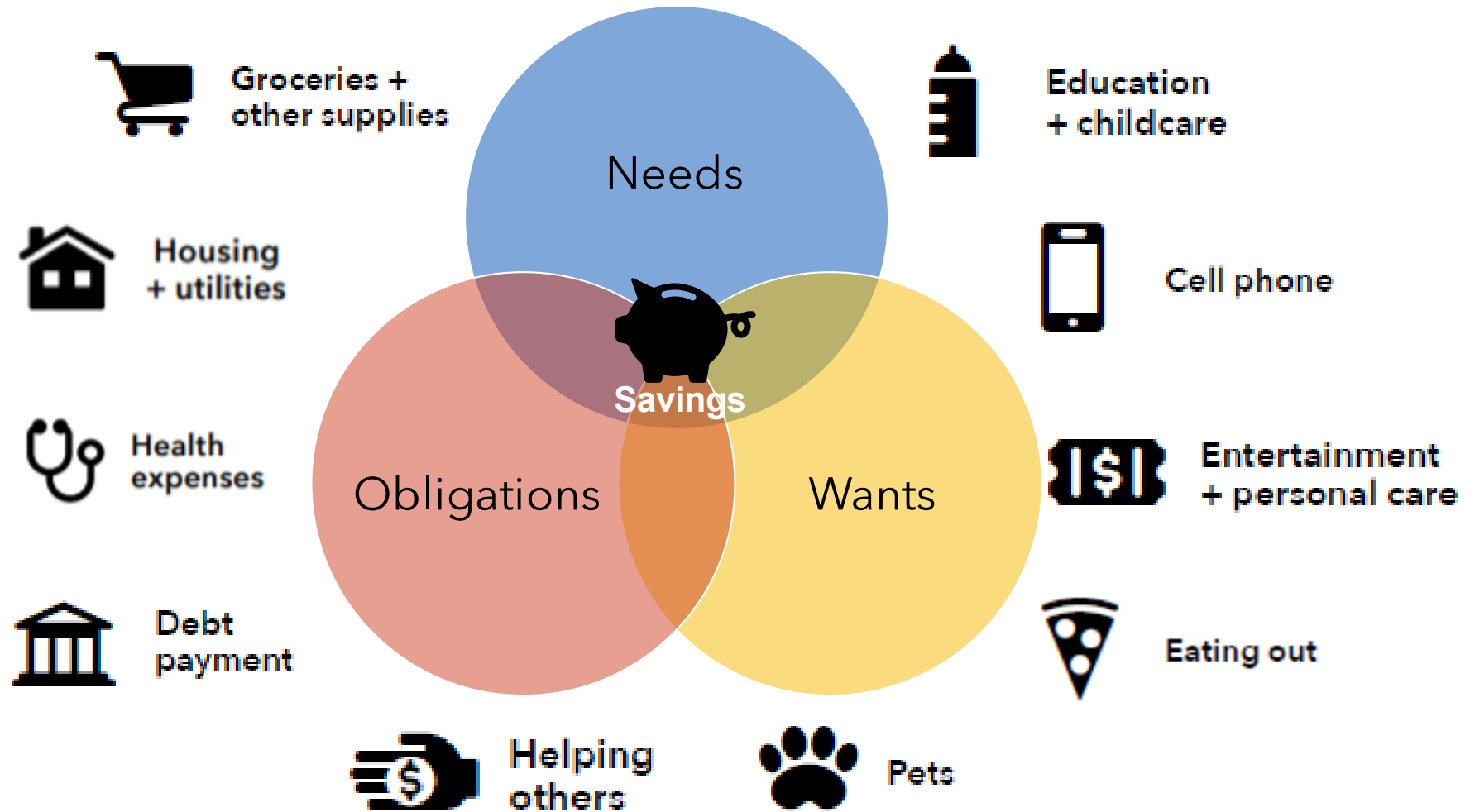
Budgeting for less stress

What is budgeting? Why does it matter?

How do I set up a budget?

How do I stick to a budget?

A budget is just a plan for your money. It ensures you can cover your essentials, with the rest going to what you really care about.



First, know where your money goes. Look over your past statements or track your spending over the next month.



A **Spending tracker** can help you analyze and change your spending habits

1. Get an envelope to collect your receipts.
2. Use the table to track your spending in the categories below. Don't forget about bills you share with others.
3. At the end of the month, add up each category.

Spending for the month of:

Analyze a whole year to spot patterns and problems!


	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	CATEGORY TOTAL
Cell phone						\$ 0.00
Debt payment						\$ 0.00
Eating out						\$ 0.00
Education + childcare						\$ 0.00
Entertainment + personal care						\$ 0.00
Groceries + other supplies						\$ 0.00

Decide on reasonable changes that will help you match your spending with your needs, obligations, and wants.



Cutting expenses can help you have money for what you need most

1. Review the strategies for cutting expenses and think about if they are realistic for you.
2. Check off the strategies that you can commit to or add your own at the bottom.

EXPENSE	STRATEGY
 Car expenses	<input type="checkbox"/> I will renew my license and registration on time to avoid late fees.
	<input type="checkbox"/> I will get regular oil changes and keep my tires inflated to reduce car repair expenses.

How and when you pay for things can also make a big difference.



Strategies for Improving cash flow

Save on fees and interest by timing your payments carefully!

1. Read the different strategies for improving your cash flow.
2. Check the box of one that you can commit to trying now. Write down any questions you may have about how you can accomplish this.
3. After you've completed that strategy, try another to keep improving your cash flow.

STRATEGY	THINGS TO CONSIDER	QUESTIONS I HAVE
<input type="checkbox"/> I'll negotiate a new due date for my bills with the company so they're due after I receive income.	First contact companies where you have a good payment history and long-standing relationship. They are more likely to be open to adjustments.	
<input type="checkbox"/> I'll negotiate splitting a large monthly payment into two smaller ones due at different times.	For example, if you can cover your \$700 rent with a \$350 payment on the first and fifteenth of the month, it might free up more money at the	

Then, put together a plan! A cashflow budget will help you plan to always stay out of the negatives.

	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5
BEGINNING WEEKLY BALANCE	Starting balance \$250	\$400	\$	\$	\$
+ ADD MONEY YOU RECEIVE EACH WEEK	+ 300				
	+ 100				
	+				
Total income	= 650	=	=	=	=
- SUBTRACT YOUR WEEKLY EXPENSES	- 200				
	- 35				
	- 15				
ENDING WEEKLY BALANCE	= 400	=	=	=	=

Diagram annotations: A vertical line on the left side of the table is marked with numbers 1 through 5. A curved arrow labeled '6' points from the ending balance of Week 1 (\$400) to the starting balance of Week 2 (\$400). Similar curved arrows labeled '\$' point from the ending balance of Week 2 to the starting balance of Week 3, Week 3 to Week 4, and Week 4 to Week 5.

Now that you have a budget, how will you stick to it? Look for ways to make it easy.

- ❑ **Be realistic.** You probably can't cut all your expenses in half.
- ❑ **Make painless changes first**, like changing due dates or canceling subscriptions you don't use.
- ❑ **Enjoy the challenge** of learning to cook new things or have fun in new ways.
- ❑ **Set a reminder** to check your financial progress regularly – weekly or monthly are both common.
 - How much money do I have?
 - What expenses are coming up?
 - What adjustments do I need to make?
- ❑ **Set goals and celebrate victories!** Achievable goals will keep you motivated and focused. Treat yourself when you reach them!

Shopping around for bank accounts

Compare multiple options for your checking account.

Don't feel limited to only the banks or credit unions that have ATMs on or near campus.

- Some will automatically reimburse fees for using any ATM.

Dig deeper when accounts are marketed as "free" or "easy."

- Do they require direct deposit, minimum balances, or a certain number of debit card transactions each month?
- Very few accounts charge no fees with no strings attached.
- Be realistic when considering accounts that offer bonuses - can you meet the terms?

Sign up for direct deposit with your school and employers.

The same goes for credit cards. Take your time finding a card that will meet your needs.

Some questions to consider:

- 1. How will you use the credit?**
For example, if you will carry a balance (as many do), then getting the lowest interest rate may be most important.
- 2. What terms do you care about?**
Compare the APR (annual percentage rate) and fees. What happens to your rate and fees if you miss a payment?
- 3. Who can offer you the best deal?**
Your current bank or credit union is a good place to start. Then look at offers you've received in the mail or online. You can also ask for better terms on existing credit.

For auto, home, and private education loans, you can apply to multiple lenders in a 14-day period to see who offers the best terms. This will NOT hurt your score.

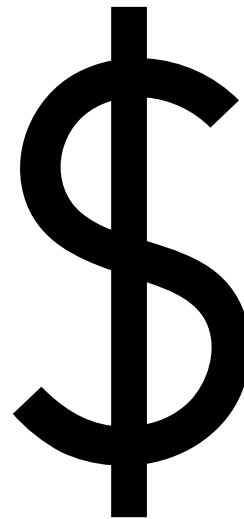
Applying for lots of credit cards can hurt your score. You must go by the advertised rate. If it's a range, consider whether you'd want the high number.

Optimizing your financial aid

For many of you, college is the first and most complex financial situation you'll ever be in. We want to help!

Many funding sources

- Federal grants
- Federal loans (3 types)
- Military benefits
- State aid and loans
- School-funded aid
- Private scholarships
- Aid and loans from nonprofits
- Employer tuition assistance
- Entitlements
- Personal savings
- Help from family
- Child care grants
- Tuition installment plans
- Work-study
- Other job(s)
- Private loans
- Loan forgiveness



Varying expenses on varying timetables

- Tuition and fees
- Dorm and meal plan
- Loan fees
- Books and supplies
- Club dues
- Rent and utilities
- Cell phone
- Car/transit
- Laundry
- Socializing
- Child care
- Parents' bills
- Computer
- Travel home
- Study abroad
- Work wardrobe
- Emergencies

For parents and families: Other ways to help your student afford college

Now

- Provide info for FAFSA
- Help research grant and scholarship opportunities
- Ask your employer about tuition assistance
- Help your student make a budget and share your family's cost-cutting strategies
- Consider applying for a Federal Parent PLUS loan
 - If denied, student can access more Direct Unsubsidized loans

Once they start school

- Continue to provide info for FAFSA
- Allow your student to live at home
- Encourage your student to build relationships at school
 - Volunteer or work (<20 hrs/wk)
 - Participate in clubs and activities
 - Academic advisor, financial aid, professors (office hours!), and classmates
- Be honest about your past missteps and encourage them to use their resources

Be upfront about your limits!
There are no scholarships for retirement.

Federal tools for rising college students and families

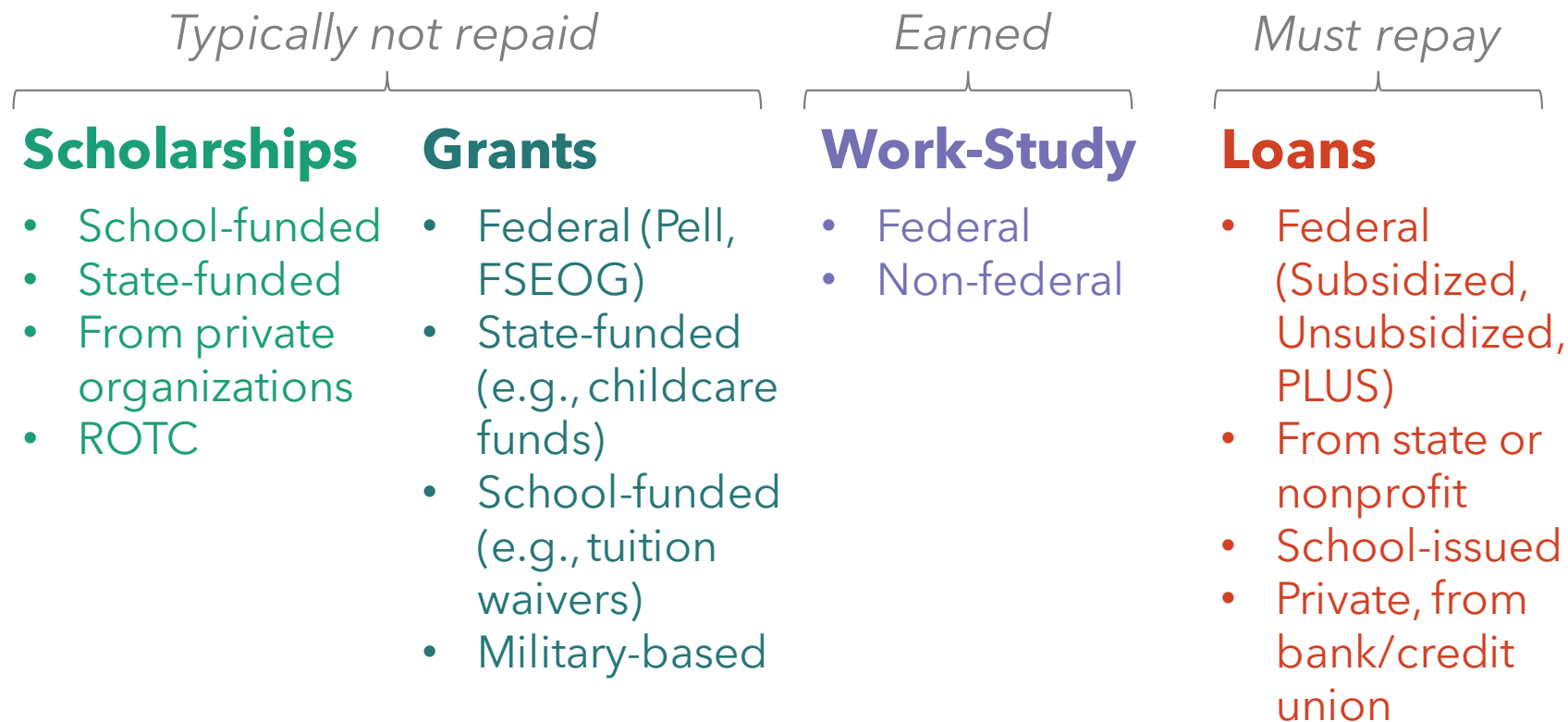
At all points

<https://studentaid.gov/> is information from the U.S. Department of Education's office of Federal Student Aid

Before applying

- College Scorecard at <https://collegescorecard.ed.gov/>
 - Cost by family income level
 - Outcomes: completion, median debt and monthly payment, salary
 - Comparison
- GI Bill Comparison Tool for military families at <https://www.va.gov/gi-bill-comparison-tool/>

Financial aid includes loans and work-study, not just grants and scholarships.



Employer tuition reimbursement

The amount of need-based aid you can receive depends on your Cost of Attendance and Expected Family Contribution.

**Cost of
Attendance**

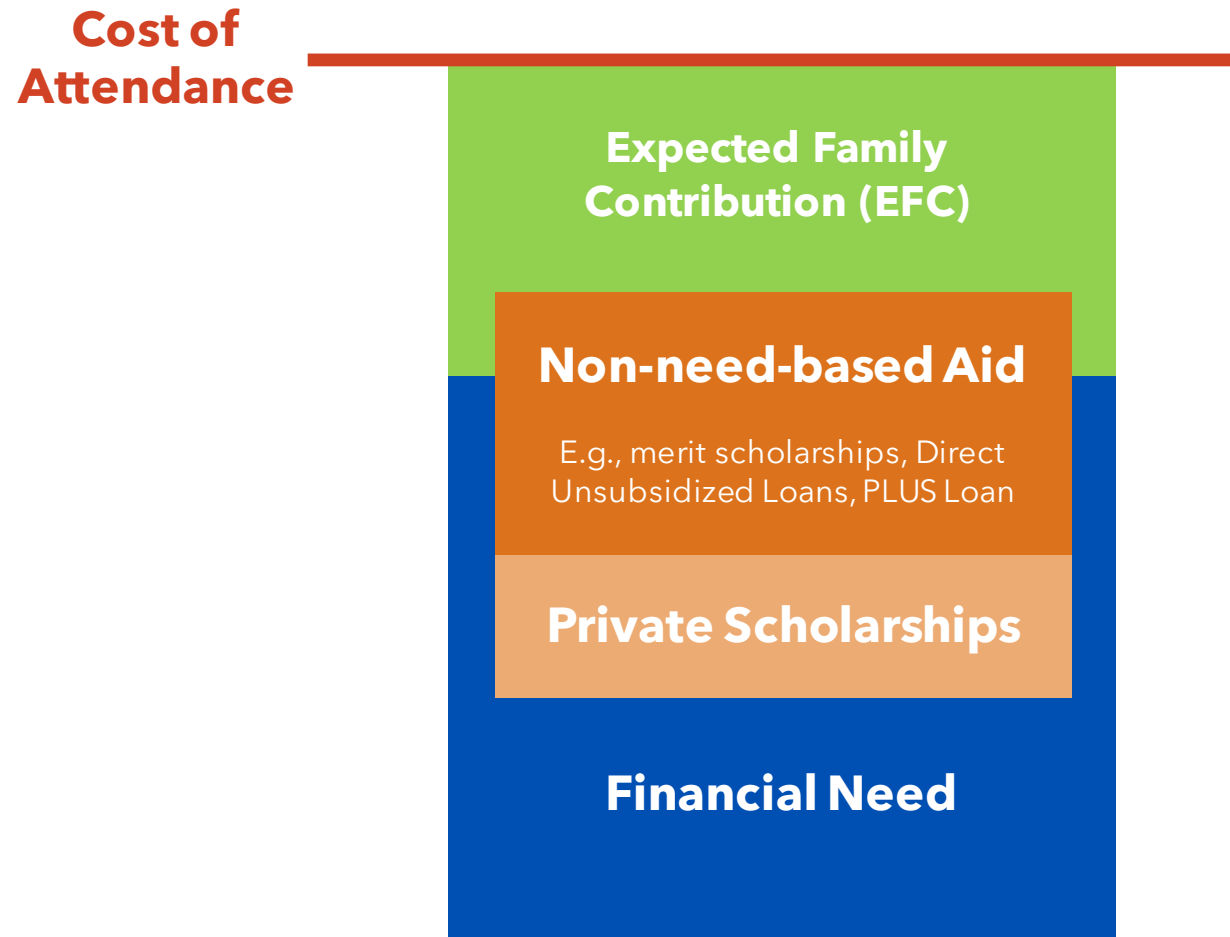
**Expected Family
Contribution
(EFC)**

Calculated from FAFSA
Not necessarily the
amount you/your family
will pay

Financial Need
the max for need-
based aid

Government or school-
funded grants, work-
study, and subsidized
loans

You can receive non-need-based aid to cover the costs that remain after need-based aid and private scholarships.



Depending on your situation, it may be possible to appeal for more aid. (But that aid might be loans!)

How to appeal for more financial aid

- 1. Document your costs and compare to the school's estimate.**
Does the official Cost of Attendance match your reality? Do you have any other eligible costs - health insurance, childcare, disability expenses, study abroad, or laptop? If your actual COA is higher than the standard estimate, you may be eligible for more aid.
- 2. Check last year's FAFSA for funds that you no longer have.**
Your EFC is typically based on the tax filings from 2 years prior. If you can prove that you or your family's financial situation has changed, you may be able to reduce your EFC and increase your Financial Need.
- 3. Talk to the financial aid office, no matter what.** Adjusting your COA or EFC will likely require paperwork. If neither situation applies to you, they may be aware of other options.

How do I manage my student loans during COVID-19?

CARES Act benefits for federal student loan borrowers

- Automatic suspension of principal and interest payments on federally-held student loans from March 13, 2020 to September 30, 2021
- Interest is set to 0% and will not capitalize at the end
- Suspended payments are not missed payments
 - Payments reported to credit bureaus as fulfilled payments
- Suspended payments count toward loan forgiveness programs
 - Including Public Service Loan Forgiveness

CARES Act applies only to *federally-held* student loans

- Which loans are eligible?
 - Direct Loans
 - Federal Family Education Loan (FFEL) Program and Perkins loans owned by the Department of Education
- Loans not eligible:
 - Federal Family Education Loan (FFEL) Program loans owned by commercial lenders
 - Perkins Loans held by schools
 - Private (non-federal) student loans owned by banks, credit unions, schools, or other private entities

When CARES Act benefits end

- Your payments will become due when CARES Act benefits end, and your due date may be different.
 - Automatic payments may resume in the same manner as they were paid before suspended payments began. You should check to make sure no payment information has changed. If so, update your information with your loan servicer.
 - If you did not have automatic payments enabled, you are responsible for making payments on or before your pre-established due date.
- Your bill will be mailed to you 21 days before it is due. If the date has changed, or you wish to change the date, contact your servicer.

If you cannot make payments when CARES Act benefits end

- If you have been financially impacted by the pandemic, contact your servicer for options:
 - They may be able to recalculate your payments based on your current income.
 - You may be able to reduce payments by switching to a different repayment plan.
 - You may be able to sign up for a deferment or forbearance and not make payments for a period of time.

Private Student Loans

- The CARES Act benefits do not apply to private student loans.
- Many private loan lenders offer a range of protections:
 - Postponement of payments for up to 90 days
 - Waiving of late fees
 - Will not file negative reports with credit bureaus
 - Reduced payment options.
- You do not need to contact your student loan servicer or take any action on your federally held student loans to receive these benefits.

Monitoring Your Credit

- Make sure that your federal student loans have been correctly reported during the payment suspension. Also, make sure non-federal student loans information is correct.
- Can request free credit reports at AnnualCreditReport.com
 - Equifax, TransUnion, and Experian allow consumers to get a free report once every 12 months.
 - Until April 2022, consumers can get a free report once every week from each of the three major credit reporting companies.
 - Through December 2026, consumers are entitled to six free credit reports every 12 months from Equifax.

Loan Servicer Assistance

- Contact your Loan Servicer directly for assistance on any of the following:
 - Lowering your monthly payment
 - Changing your repayment plan
 - Consolidating multiple federal student loans
 - Postponing your monthly payments while in school or unemployed
 - Seeing if you qualify for loan forgiveness

Avoiding Scams

- You do not have to pay to receive CARES Act benefits, additional assistance for your student loans (including changing repayment plans or filing for forbearance), or federal financial aid.
 - You can receive free support from your school's financial aid office or the Federal Student Aid Information Center (1-800-433-3243).
- Do not share personal information, log-in information, or passwords with others. Do not share your FSA ID or password with others, even if they are assisting you in filing a FAFSA or other forms.
- Change passwords if they have been shared or on a regular basis.

Student Loan Debt Relief Companies

- Be wary of companies offering relief from your student loan debt, especially if they offer loan forgiveness or discharge.
 - These companies are not approved by the US Department of Education.
- Signs to beware of:
 - They require up-front or monthly payments for assistance
 - They promise immediate loan forgiveness or cancellation
 - They ask for your FSA ID and/or password
 - They ask you to sign a third-party authorization form or power of attorney
 - They claim their offer is time limited
 - Their communications contain spelling and/or grammar problems

Reporting Scams

- If you are the victim of a scam:
 - Contact your student loan servicer to revoke any power of attorney and to ensure that the debt relief company took no unwanted actions.
 - Stop payments to the company by contacting your bank.
 - File complaints with the FTC, and Department of Education
 - <https://reportfraud.ftc.gov/#/>
 - <https://studentaid.gov/feedback-center/>

CFPB listens to and helps consumers

The bottom of the slide features a decorative graphic consisting of several overlapping, semi-transparent green shapes. These shapes are arranged in a way that creates a sense of depth and movement, with some shapes appearing to rise from the left and others from the right, meeting in the center. The colors range from a light, pale green to a vibrant, medium green.

Protecting your finances during the coronavirus pandemic

The CFPB is committed to providing consumers with up-to-date information and resources to protect and manage their finances during this difficult time.



A new resource to share with students

Financial inTuition Podcast

Learn tips and strategies on how to make more informed financial decisions around managing money, saving and paying for higher education, and repaying student loan debt.



<https://www.consumerfinance.gov/practitioner-resources/students/financial-intuition/>

You can use our new tool to plan your finances for the coming school year, starting with your financial aid offer.

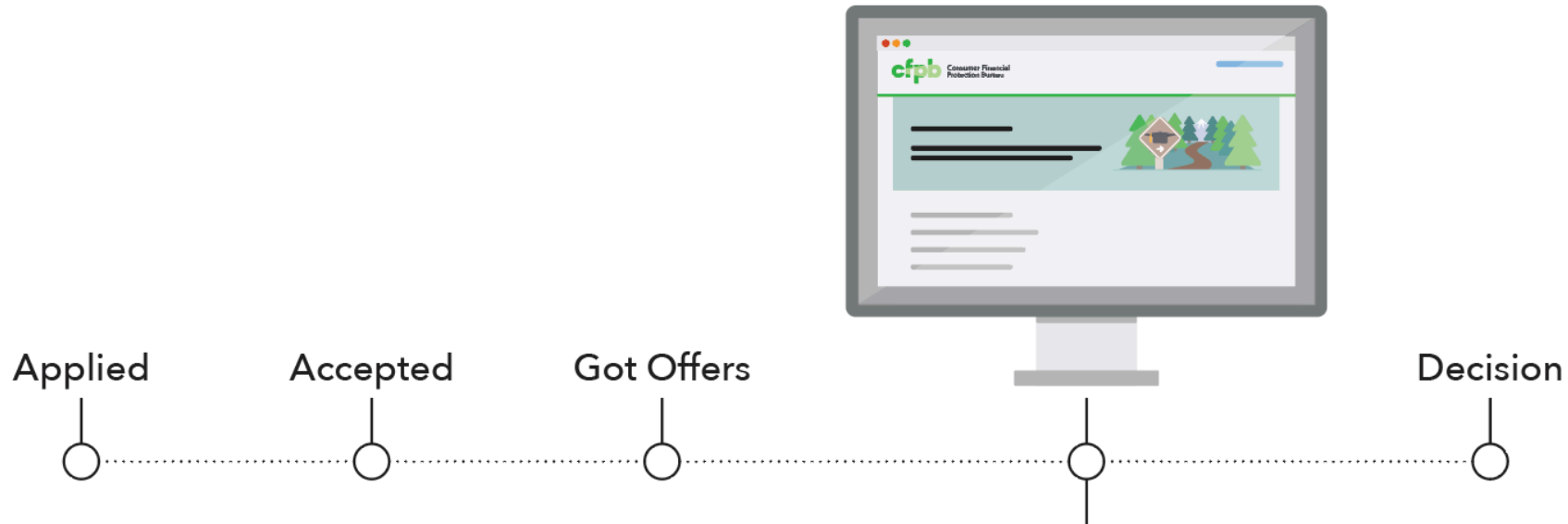
www.consumerfinance.gov/gradpath

Your financial path to graduation

Have a financial aid offer? We'll help you plan to finish your program with debt you can afford.



Grad Path helps students make final decisions about where (or whether) to go to school—and how to pay for it.



Your financial path to graduation

- Does my funding cover my costs?
- Can I afford the loans I'll need?
- Is this school worth it for me?

Other resources for students and practitioners



Mailing list

[Sign up for occasional notifications](#) of webinars and new materials



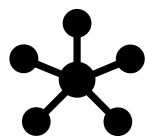
Free bulk printing

[Financial education](#) in English and other languages



Ask CFPB

[Clear, impartial answers](#) to hundreds of financial questions



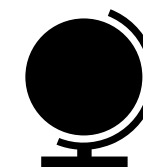
Money Topics

Curated links for [students](#) and [practitioners](#)



Blog

[Timely updates](#) filtered by topic and audience



Multilingual

[Resources in common languages](#) (e.g., Spanish, Tagalog, Haitian Creole)

Opportunities to shape future CFPB resources

Research and feedback for:



Grad Path for families

Help relatives plan to contribute to their students' education



Financial InTuition

A free financial literacy platform for IHEs

Thank you for your time! Questions?