

# life hacks

## AWARD LETTER EDITION

Congrats! The college acceptance letters have arrived. But before you decide on a school, you need to know how much it's going to cost — and what's available to help you pay for it. That's where Financial Aid Award Letters come in. Here are some tips for decoding the important information in these letters so you can make an informed decision about paying for college.

### All award letters are the same...kind of...

While there's no standard format for award letters, they'll generally contain the same information: how much one year at the school will cost; how much "free" money, i.e., scholarships and grants, the school is offering, and how much you may be eligible for in federal student loans.

### Ch-Ching! Your school's price tag is showing.

There's tuition, but a year of college brings other costs. The Cost of Attendance (COA) is a school's best estimate of a year of tuition, fees, room and board, books, and other expenses, including travel. COA is a key factor in figuring out your financial need.

### Yes, there really is "free" money.

Your award letter will list different types of financial aid. There's free money that you don't have to pay back — scholarships and grants. Then there's money that you'll have to pay back — federal student loans. You may also be eligible for work-study — money that doesn't need to be repaid — but you'll be expected to work while at school to pay for college costs. Consider that as you plan your course schedule and other activities.

### Mind the gap.

Since there is no standard award letter, comparing them can be challenging. Set up a simple spreadsheet and start with each school's COA. From there, subtract all of the financial aid and federal loans listed. What's left is the "gap," which shows what you'll need to pay out-of-pocket for a year at that school. You can cover these costs with private student loans or other sources of funding.

### It's not all about the financial aid.

When you're comparing offers, don't forget to consider other factors, like environment, location, and quality of the program. Any or all of these can tip the scale in a school's favor.

For more information on award letters and how to compare them, visit

[SallieMae.com/AwardLetters](http://SallieMae.com/AwardLetters)

