



The Common Sense Guide to  
**FINANCIAL AID**

**IIPR**

college of *CREATIVE ARTS*

---

[www.ipr.edu](http://www.ipr.edu)

**Hello,**

Let me be the first to congratulate you on your consideration of earning a degree from the Institute of Production and Recording. Pursuing your passion is important to us here, and we're excited to see you follow through on your dreams.

The last thing we want at IPR is the cost of school keeping you from experiencing your chance to explore your creative desires and aspirations.

That's why we're here to help you first explore all your financial aid possibilities—because we believe that everyone deserves the opportunity to earn an affordable degree.

Starting your education on the right foot, with a solid understanding of the funding available to you, will help ensure that your college experience is not only rewarding, but also affordable. This might all be new to you, but we have good news for you—you're not alone! We've helped thousands of students figure out what kind of financial aid is available to them to make this process as easy as possible for you.

At IPR, we're dedicated to providing our students with the help they need to be successful, and that starts with helping you navigate the financial aid process. From scholarships to grants to loans, we've provided a guide to familiarize you with the best ways to make college affordable.

As you review the following information, you should become more familiar with the steps to apply for financial aid, the requirements and eligibility for financial aid, and the specific financial aid programs available to those who qualify. When you're done reading, we'll be here waiting to hear from you if you still have questions. Don't hesitate to call, email, or stop by our campus for answers to your questions.

We sincerely hope you find the following information valuable as you seek financing options for your college education. The surest way to achieve a better quality of life is to place a priority on investing in yourself. We look forward to helping you achieve your educational goals at IPR!

Please note the information provided is subject to change due to revised federal, state and institutional guidelines. Again, please don't hesitate to contact us if you have any questions about the financial aid process. We look forward to having you join our dynamic campus community!

**Jason Koskovich**  
**Financial Aid Administrator**





## College Costs Money: Is It Worth It?

Everybody says that you need to go to college, but it isn't that easy. You already know you'd have more opportunities if you got a degree, but it costs money. The real question you have right now is: where's the money going to come from?

Knowing how to get that funding is what makes the difference between a bright future and a financial disaster. But don't worry; this book is here to help you figure out how to use the system to get your college degree without breaking the bank.

### **How to pay for college without breaking the bank**

Everyone tells you that college is worth it. Not every tells you the real secret: College doesn't have to cost you so much. Every student pays for college, but for some students, college really pays off. The key to paying for college without breaking the bank is knowing what you're getting, knowing what it will cost, and knowing what your options are for money. Then you can make a plan, and a good plan is what will make the difference between success and failure.

This book will tell you how to make that plan. We will lay out all your options along with the risks and the benefits of each so that you know exactly what you are getting into...and so you don't miss out on opportunities.



## College Is Expensive, Funding Is Not Easy, But That Shouldn't Stop You

College will be one of the most expensive things you ever pay for. It's like buying a house. If you want it to work, you're going to have to work for it. But you aren't on your own. There are people out there waiting to help you, and entire programs set up to get you the money you need. Finding people who give you support, finding the funding opportunities, and turning in application after application is hard work, but if you keep at it, that's how you earn your education.

### **If you want money, you'll earn it through research**

Getting help paying for college takes work. But what kind of work will you have to do? The most important work you'll do is searching. Finding opportunities for funding is the biggest challenge, and it is something most students don't spend nearly enough time doing. So don't just work hard; work smart. The key to getting funding for college isn't just being lucky, or being the best student; it's about knowing your options. The more you know about financial aid, the more you'll be able to save.

Even after you find scholarships and sort out all the other financial aid options, you'll have to do plenty of paper work. This goes deeper than just filling out the forms. You'll have to make sure your taxes are filed on time, and you'll have to gather supporting materials. You also need to do research to find out how to write the best applications, or qualify for new opportunities. The good news is: this work pays off. If you do it, you'll have funding opportunities other people don't.



## How Do So Many People Afford to Get Degrees?

Some people pay too much for college. Some people get through college without paying a penny. Those people are the ones who know their options, and did the hard work to take advantage of every opportunity. But why are there so many scholarships and financial aid opportunities in the first place? The reason is that, deep down in their hearts, every educator believes you shouldn't have to pay more than you can afford to get a college degree.

The system we have today is designed so that no matter how much money you have, you can still get a degree without going broke. Once you understand how to work that system, you can make it work for you.

### **There are people on your side...even before you're a student**

There are people who have a full time job of trying to help students get money for college. These people are counselors and financial aid officers at universities, and they are amazing. If you are a student, you can go to their office and they'll help you find the best financial aid opportunities for you. But did you know that they'll help you even if you aren't a student yet?

Even if you're just a prospective student who is thinking about applying, you can still send them an email or give them a phone call and ask them what funding is available for potential students like you. This help is free—or at least, it's paid for by the college. So be sure to take advantage of it.



## What do you need to know?

If you knew it was there, you wouldn't need to search for it, right? So how do you find financial aid options when there's so much you don't know?

The answer is: **Make a plan**. Having a reasonably thorough systematic understanding of financial aid will give you the tools to search. You make this plan by breaking financial aid down into big categories, and then filling in the gaps. That's what this book teaches you to do, so you'll be able to find financial aid you can use, and understand what your options are.



## A Method That Makes Sense

Making a plan makes a difference. Students who don't have a plan don't know what's going to happen next, and they end up paying too much. Your financial aid plan needs to be based on:

- What you know
- What you can get
- What that will mean for you in the long run

This book breaks down each of those three categories, so you will always know where you stand.

### Know who you are and what you can get

The first thing you need to do is know yourself. The good news is, that's the one thing you know for sure! But you also need to understand how students are classified for the purposes of distributing financial aid. **Knowing what categories you fit into** can narrow your search, but it can also open up new opportunities you didn't realize were there. If you can identify the kind of student you are, then it will be easier for you to find what kinds of aid are best for you.

### Know the difference between your options

The next thing you'll need to know is the differences between your options. **Most students pay for college using a mix of sources**, taking advantage of many different opportunities. If you just go with one source, then you'll end up paying too much, and getting too little. But you also need to know what the differences are between these options, so you know that you are getting the best deal possible.

## **Know what you're on the hook for—and what you aren't**

The last thing is the most important: you need to know what you'll owe. It's easy to get money up front while you are a student. There are many different options for loans, and what those options will mean for you in the long run often doesn't become apparent until after you graduate. There are also many other scholarships that have requirements for you after you graduate. **Knowing what your responsibilities are going to be after you graduate is the key to making sure you don't get in over your head.** But you may also discover that you have more options than you realize. Many forms of federal financial aid have special terms to help students pay for college. If you take out federal loans, there are options for loan forgiveness if you have a low income or if you work in the public sector. Knowing these options can save you thousands of dollars.

## **The payoff is worth it**

If you want a college education, then understanding financial aid will pay off. The horror stories you hear of people saddled with crushing debt and no job prospects come from people who didn't understand their financial aid options to the beginning. If you know all the options, with all their benefits and risks, then you can play the game and win, so let's get started!



IPR Financial Aid: 866-477-4840

## Knowing The Difference Between Types of Aid

The most confusing thing about financial aid is that there are so many different options. Keeping track of them all is enough to be a full time job. In fact, it is. That's what colleges pay financial aid counselors to do, and they're there to help you. But you should know for yourself all the options you have before you make any decisions.

The easiest way to get started is to break things down in to types of aid. This book divides financial aid into three major categories.

- **General aid:** available to everyone
- **Need-based aid:** awarded based on the demonstrated financial need of a student
- **Merit-based aid:** awarded based on qualifications

## Mix and match

If you are thinking “Which one is the right kind of financial aid for me?”—stop. Because **the answer is: all of them**. The best thing to do is rely on a mixture of different sources of funding. This will take more work on your part, since there will be paperwork, applications, and each source entails different responsibilities. But by mixing together different kinds of aid, you will absolutely get the best deal possible when it comes to paying for college.

For each type of aid, there are four important things you need to know.

1. **“What is it?”** tells you what the aid includes, including who can apply, what kind of expenses it covers, and how much funding you can get.
2. **“Where does it come from?”** will tell you who distributes it, which can be important when it comes to applications, as well as looking for more options.
3. **“How do you get it?”** is probably the most important question, since it tells you how to apply for it.
4. **“What’s the catch?”** is the question everyone wonders about—what exactly will you owe if you accept it.



## General Aid: Private Loans

### What is it?

Private loans are a lot like any other loan you may get to buy a house or a car. These loans are available to students to help pay for college, but they should be approached with caution. Private loans don't have the special terms that federal student loans have, meaning they often have high interest rates, and no opportunities for forgiveness. There are many other options out there, and private loans should only be your last resort. If you are reaching the point where you need to take out private loans to go to school, you might need to take a hard look at your budget to see if the cost will be justified.

### Where does it come from?

Private loans come from banks, credit unions, or other private institutions, although some schools offer their own private student loans as well. Private loans are different from the educational loans you get from the federal government because they are not funded by the government. That also means that **they aren't subject to the same laws governing financial aid**, and when laws on financial aid change, private loans may not be affected by these changes.

### How do you get it?

To get a private student loan, you have to apply for it with the lender, just like any other loan. Your terms will depend on your credit score. If you don't have good credit or valuable assets, you may need someone to cosign with you.



## What's the catch?

Because private loans are just normal loans, they don't have any of the benefits of federal loans. This means that many of the features of federal loans designed to help students aren't there. For example, most private loans require you to make payments on them even while you are in school, while federal loans do not require any payments until after you graduate.

With private loans, you are taking out a loan that is unsecured, meaning you are not using the loan to buy something that can be sold to recover the loan if you default, so **you are likely to face higher interest rates and more restrictive terms, and you won't have options for loan forgiveness** or forbearance. Taking out a private loan for education is a big responsibility, and you should read through all the terms very carefully before you agree to anything.



# General Aid: Unsubsidized Federal Loans

## What is it?

**Federal unsubsidized student loans are available to all students, regardless of financial need.**

The amount you can apply for is set by your school, although there are lifetime caps on how much you can apply for. The limit you can apply for varies depending on whether or not you are a dependent (under 24), and the limit increases if you are going to graduate school. Federal loans, including unsubsidized ones, can be obtained by parents of dependent students as well, to help with their expected contribution.

The interest and repayment terms of federal student loans are set by Congress, so they are the same for all students, regardless of their credit score. Even if you don't have a good credit history, you won't need anyone to cosign on your federal student loan..

## Where does it come from?

These loans come from the federal government. They are funded by the government, and their terms are set by Congress. Payments on any federal loans are managed by a "servicer." This is a company that manages the loan on behalf of the government, though you won't get to know them until after you graduate and start paying your loan back.

## How do you get it?

Only U.S. citizens or permanent residents are eligible for federal loans. To get unsubsidized federal loans you are going to need to fill out a FAFSA. The FAFSA is the **Free Application for Federal Student Aid, which is a form you fill out so the government can determine how much you should have to pay for college, and how much they should help you out.** The FAFSA includes things like your income, to determine your financial need, and other background questions to determine if you are eligible for special Federal grants. You can complete it online, but you will need to have filed your taxes (and if you're under 24, your parents' tax forms will be required as well).

Once you complete the FAFSA, the government determines how much you are expected to contribute, while your school determines your expected budget. Anything more than your expected contribution is your "financial need." The school then puts together a package of financial aid for you based on your financial need. They normally offer you as much need-based aid as you can get, and then offer you unsubsidized loans to cover the rest. You have to fill out the FAFSA even if you don't have financial need and simply want unsubsidized loans. Once you have been awarded a package, you will need to go through "entry counseling" where you meet with a financial aid counselor and learn more about your loans and responsibilities. Then you will have to sign a promissory note to finalize the paperwork.

## What's the catch?

While unsubsidized federal loans have more features and protections for students than private loans, the word "unsubsidized" is important. **What "unsubsidized" means is that the federal government does not pay the interest on your loan while you are in school.** This means that if you aren't making payments on unsubsidized loans while you are in school, the amount you owe will be getting bigger each year, just like debt from your credit card does. As with private loans, unsubsidized loans have interest accumulating starting the day you receive the loan. A big plus side of federal loans is that you don't have to make payments while you are enrolled in school, and you also have a six-month grace period after you graduate or leave before you have to start paying back the loan.



## Need-Based Aid: Subsidized Federal Loans

### What is it?

There are two principle differences between subsidized and unsubsidized federal student loans. The first distinction is that, unlike unsubsidized loans, subsidized federal student loans are awarded based on financial need. This means that not all students qualify for them.

The second is that **subsidized loans cost you less**. A normal unsubsidized loan accumulates interest the whole time you're enrolled in college, so when you graduate you end up owing more money than you took out. That's fair; interest builds up on an unsubsidized student loan just like car loan or mortgage or any other loan. But with a subsidized loan, the government contributes some money toward (that is, subsidizes) the loan to help you get your education. During the time you're enrolled in college, the government pays the interest on the loan—and that means the amount you have to repay doesn't start growing until after you graduate.

Because they are based on financial need, the dollar amount of subsidized loans you can receive depends on your personal financial situation. However, like unsubsidized loans, there is also a lifetime limit on how much you can receive. Because they are only awarded based on financial need, there are also certain expenses that do not justify a subsidized student loan.

## Where does it come from?

In this respect, subsidized federal loans are no different from unsubsidized federal loans. These loans are funded by the government. The interest rates and terms of repayment are set by Congress, rather than negotiated individually. When the time comes to pay them back, your payments are managed by a “servicer.” This is a company that manages the loan on behalf of the government, but they are just middlemen, and can’t change the terms of your loan.

## How do you get it?

Only U.S. citizens or permanent residents are eligible for federal loans. To get subsidized federal loans, you go through the same process as for unsubsidized loans. It all begins with the FAFSA. The Free Application for Federal Student Aid can be completed online, but you will need to have filed your taxes. Once you complete the FAFSA, you send a copy to your school, and they determine your loan package based on your financial need. If you accept the package, you will need to meet with a counselor to complete your “entry counseling” outlining your loans and responsibilities. Then all that’s left to do is sign the promissory note to finalize the paperwork.

## What’s the catch?

Federal loans have repayment options that private loans don’t. These repayment options make it easier for you to pay off your loans, and under circumstances, forgive them. However, **they have certain restrictions that private loans do not.** Most importantly, they don’t disappear if you go bankrupt. So, if you take federal student loans, they are with you until you pay them off or until you fulfill the criteria for forgiveness.



# Need-Based Aid: Pell Grants and Work-Study

## What is it?

Loans aren't the only type of need-based aid that you can get. For American citizens and permanent residents with demonstrated financial need, **grants and work-study** may also be available. Federal Pell Grants are money given by the federal government to help students from low-income families. Grants are like scholarships: They are free money given to students to help pay for their education. A scholarship is normally awarded based on merit, while a grant is given based on need. Normally only one person wins a scholarship, but Pell Grants are awarded to everyone who qualifies.

Work-study is another form of income for students, creating opportunities for students to earn money working on campus while learning at the same time. The money from a work-study job gets paid to you like the salary from a normal job, so it puts cash in your pocket—something every student could use!

## Where does it come from?

In the case of Pell Grants, they are funded every year by Congress. Work-study is usually paid for in part by the school and in part by the government. Work-study opportunities often involve the government paying half your wage, and the school paying the other half. This creates opportunities for students to do jobs around campus that are relevant to their interests, while still making money to help them pay for living expenses.

## How do you get it?

For any need-based federal aid, you need to fill out a FAFSA. There are questions on the FAFSA that will determine whether or not you are eligible for grants like the Pell Grant, and if you are, the grants will be included in your financial aid package offered by the college, along with your loans.

Work-study is a little bit more tricky. First, to be eligible for work-study, you will have to check “yes” on the box that says “I would like to be considered for work-study.” If you don’t do this, you won’t be able to get work-study even if you would otherwise be eligible. Once you are found eligible, you can look at the list of work-study-funded jobs at your school. You aren’t guaranteed a job; you’ll have to interview for it, just like any other job. Your work-study is limited by total number of hours, so if you get a job that doesn’t use up all of your work-study hours, you can get a second one.

## What’s the catch?

**Many students who would be eligible for work-study don’t get it because they forgot to check the box.** That’s why it always pays to read forms carefully and never say no to aid you might qualify for until you know what all your options are! Work-study is also limited in the number of hours you can work per week, since the intention is that it not interfere with your studies. You won’t be able to work more than 20 hours per week with a work-study job.

You also need to pay attention to your Pell Grants if you are also receiving outside (non-federal) scholarships. These scholarships reduce the amount of financial need you have, and if your financial need decreases after you’ve been awarded a Pell Grant, you might have to pay it back.



## Merit-Based Aid: Large Scholarships

### What is it?

Merit-based aid, unlike need-based aid, is awarded to students based on the things they've done. Some merit-based aid is awarded by federal or local governments, but the majority of scholarships are awarded by private organizations, even if there is a word like "National" in the name. This means they don't require a FAFSA, and they may well be available to students who aren't U.S. citizens, but there will be other restrictions, and they are generally awarded to only one or two winners rather than everyone who qualifies. Merit-based scholarships can be divided into two general categories.

1. **Large scholarships** that pay you enough to cover an entire year of school or more
2. **Small scholarships** that pay smaller amounts that can help out, but won't cover an entire year

### Where does it come from?

Merit-based scholarships generally come from private sources of funding. Large merit-based scholarships are normally funded by major organizations, non-profits, or the schools themselves. Many non-profit organizations exist purely for the purpose of awarding scholarships. People make tax-deductible donations to the organization, and the organization then selects students and distributes the money.

## How do you get it?

Every merit-based scholarship has its own checklist. The first thing you should do is find that list, usually by going to their website. Most merit-based scholarships will require three types of materials:

1. Materials that prove you are **eligible** for the scholarship
2. Materials that demonstrate your **abilities and potential** as a student
3. Materials that speak to the specific **interest** of the funding organization.

Every scholarship will have different eligibility requirements. Some are open to all students, but others are only for a specific type of student who has specific needs, background, or interests. You will usually be asked to provide some kind of proof that you fit into that category. You will also normally need to submit materials showing your potential for academic excellence. For large, competitive scholarships, these become very important. With thousands of applicants to choose from, they often receive hundreds of applicants who have a good idea or a compelling story, so every single part of the application becomes important. If you have a weak spots among your grades or test scores, it doesn't mean you shouldn't apply, but that you should address those weaknesses directly rather than trying to disguise them. An applicant who is honest about their weaknesses, but still expresses an interest in learning is more credible than a student who pretends they have no weaknesses.

Letters of recommendation are often required, and these are an excellent opportunity to make up for other weaknesses. In each class you take, you should immediately begin thinking about each teacher or professor as a potential letter writer. When it comes time to submit, start talking to them long before the deadlines about writing letters, since they will probably be very busy.

The final thing many large scholarships will ask for is a personal statement. This could be a statement of interest, an idea for a project, or an explanation of your background and the challenges you've overcome. This is the heart of the application, and what people care most about. **If you don't have a good statement, you don't stand a chance—but don't worry, there are people who can help you.** Plan to spend a lot of time writing, editing, and getting feedback on your statement. Often your letter writers will be a good source of support, as well as financial aid officers at your college or university. After all, they see hundreds of applications every year.

## What's the catch?

Large scholarships are the kind of financial aid that almost everyone knows about. When people think "scholarship" they often think of a "full ride." The most famous of these scholarships are well known, and receive thousands of applications every year. If you know the name of a scholarship even before you start researching financial aid, it is probably famous and very competitive. But don't worry, they are still worth applying to. After all, even if it is a one-in-a-thousand shot, it is worth a try.



## Merit-Based Aid: Small Scholarships

### What is it?

There are more small merit-based scholarships out there than any other kind of scholarship available. There are literally thousands of small scholarships, which can be as little as a hundred dollars. These scholarships can be a great source of money for students in need because they are less competitive than the large ones and often have deadlines spread throughout the year, so you can always keep applying for something new. Many of them are highly specific, so whatever you are doing, and whatever you are interested in, there will be a scholarship out there that is perfect for you. But **you shouldn't only apply to the ones that are perfect for you**—apply to as many as possible, and you'll find that though small, that scholarship money really adds up quickly.

### Where does it come from?

Like larger merit-based scholarships, the small merit-based scholarships usually come from private funding sources. However, while often only large organizations have the ability to award large scholarships, smaller scholarships are frequently funded by individuals, small businesses, and even departments within schools. This means that the scholarships themselves often reflect the unique and personal interests of the people funding them, and **they often reward creativity and passion more than just good grades.**

## How do you get it?

The first, and most important step to getting a smaller scholarship is finding it. This is a step many students never take, and as a result, there are thousands of dollars in scholarships every year that go unclaimed because nobody applied for them. If even one student had applied to that scholarship, they would have won it automatically. So sending in an application is always worth a try! You can find these small scholarships by searching the internet, talking to your financial aid counselor, and even asking your fellow students to see if they've heard of any good opportunities.

In general, the application process is the same as for large scholarships, but often times, for smaller scholarships, there are also fewer requirements. Some are as simple as writing a statement and sending it in. Others require more documentation, such as transcripts. Sometimes these scholarships are awarded for work you've already done, while other times they are awarded for work you propose to do.

## What's the catch?

You can get a lot of money from applying to small scholarships, but it will take time. You should always be careful to make sure you aren't putting in too much time and effort for too little return. **Estimate how much time you think it will take you to complete the application, and divide the total by that number of hours to see what you are being paid per hour (assuming, of course, you are awarded the scholarship).** If you spend twenty hours preparing for a \$100 scholarship, you will be making less than minimum wage even if you win, and it isn't worth it. Keep track of your expenses as well. If they require you to send transcripts or test scores, that often costs money, and should be subtracted from the total. Apply to as many as possible, but make sure that you don't spend too much time or money doing so!



## You Can Make College Pay Off

Going to college is a big decision. It brings with it some big financial responsibilities. None of this should be taken lightly. But now you know your options, and that means you will be prepared for all the paperwork. It also means you won't miss out on any opportunities to reduce the cost of college. And let's face it—being a student is enough work. When it comes to finances, you can always use some extra help. So don't hesitate to go to your school's financial aid office and meet with a counselor. They are there to help and they know this business backwards and forwards.

IPR Financial Aid: 866-477-4840

[www.ipr.edu](http://www.ipr.edu)