



# Paying for Grad School Guide

Everything you need to  
make smart choices about  
paying for school

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# Ways to pay for graduate school



## Start with free money first

Scholarships, savings, and money you don't have to pay back.



### File the Free Application for Federal Student Aid (FAFSA®)

The FAFSA is the #1 source for financial aid. Apply as soon as you can once it opens on October 1. Plus, we've teamed with Embark to make filing the [FAFSA](#) easier than ever.



### Scholarships

Apply for scholarships offered by your school, as well as outside scholarships. Our free [Graduate School Scholarship Search](#) has over 950,000 scholarship opportunities.



### Employee benefits

Working during school? See if your employer offers any tuition reimbursement benefits.



### Military benefits

Tuition assistance and extended repayment options are available for servicemembers.



### Work-study

[Work-study](#) provides students a part-time job paid for by federal funding. File the FAFSA to see if you qualify.



### Pay out of pocket

If you're able to pay some of your balance with savings or income, consider this option.

## Still need money for graduate school?

Learn more about federal and private student loans.

### Unsubsidized federal student loans

The amount is based on your program and cost of attendance, and would be in your name. Interest on these loans begin as soon as the loan is disbursed.

### Federal Grad PLUS loans

After completing the FAFSA, you may qualify for a Graduate PLUS loan. These are credit based loans in your name.

### Private student loans

There are two options for applying for private student loans.

- You can apply for a private student loan in your name, though you may be asked to include a creditworthy cosigner.
- A creditworthy adult can apply for a private loan in their name and use the money to help pay for your remaining graduate school costs.

*Sallie Mae has a suite of [graduate school loans](#) designed for your field of study.*

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# Filing the FAFSA

Financial aid for graduate school starts with the FAFSA

Completing and submitting a Free Application for Federal Student Aid (FAFSA) is the single most important thing you can do to get financial aid for graduate school.

## What do you need?

- ✓ Social Security number
- ✓ Alien Registration number (if you aren't a U.S. citizen)
- ✓ Federal income tax return, W-2s, and other records of money earned; you may be able to transfer your federal tax return information into your FAFSA using the IRS Data Retrieval Tool.
- ✓ Bank statements and investment records (if applicable)
- ✓ Records of untaxed income (if applicable)
- ✓ You will need an FSA (Federal Student Aid) ID to sign the form electronically. You can get your FSA ID here: [fafsa.ed.gov](https://fafsa.ed.gov)



If your financial aid status has changed, please complete and submit the FAFSA using the required tax year as directed, then follow up with your school's financial aid office for further advice.



For more information, visit  
**[salliemae.com/gradinfo](https://salliemae.com/gradinfo)**  
Submit the FAFSA at  
**[salliemae.com/gradfafsa](https://salliemae.com/gradfafsa)**

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## Submission time frames and tax information\*

Graduate school academic year  
**Fall 2021 – Spring 2022**

Submit your FAFSA beginning  
**October 1, 2020 through June 30, 2022**

You can use your tax info from **2019**

Graduate school academic year  
**Fall 2022 – Spring 2023**

Submit your FAFSA beginning  
**October 1, 2021 through June 30, 2023**

You can use your tax info from **2020**

Graduate school academic year  
**Fall 2023 – Spring 2024**

Submit your FAFSA beginning  
**October 1, 2022 through June 30, 2024**

Use your tax info from **2021**



File the FAFSA every year you're in graduate school

\*Source: <https://studentaid.ed.gov/sa/fafsa>. FAFSA application submission time frames and required tax information are projected based on information provided in the September 14, 2015 IFAP FAFSA filing date change announcement (also referenced as the Dear Colleague letter). Please check StudentAid.Ed.Gov/Sa/FAFSA prior to each academic year for the most up-to-date FAFSA information.



# Using grants and scholarships to pay for college

Grants and scholarships are two types of financial aid that don't have to be paid back. So be sure to include them in your plan for paying for college!



## Let's start with a simple explanation of scholarships

A scholarship is a financial award that is given based on specific criteria, and doesn't have to be paid back. Scholarships are always free—you should never pay to find or apply for one. There are millions of scholarships available—you just have to look for them! You may think scholarships are only for athletes and students who are at or near the top of their class. That's certainly true in some cases, but did you know there are scholarships out there for almost every skill and interest? The challenge is finding the right ones for you. Start your search for free with [Sallie Mae® Scholarship Search](#).

## Why apply for scholarships?

The answer to that question is simple! You don't need to pay back the funds you receive from college scholarships. And there's no limit to the amount of scholarships you can apply for or receive.

### Hints for finding scholarship opportunities

- Check out the list of scholarships offered by the colleges you're interested in attending. You'd be surprised at the wide range of areas covered.
- Search for scholarships online or take it a step further and register for free on scholarship search engines where you create a profile and filter results by your hobbies, special skills, future college major, and community service interests.
- Look for scholarships offered by local organizations in your town. Your local library is a good place to start to learn more about local businesses and organizations that sponsor scholarships.
- Reach out to your friends, family, and members of the community:
  - School counselors, school administrators, teachers, coaches, and mentors
  - Religious organizations
  - Local youth organizations such as Girl Scouts and Boy Scouts, Boys & Girls Clubs, and 4-H)
  - Local philanthropic organizations (such as the Lions Club, Rotary Club, Kiwanis, and Chamber of Commerce)
  - Any other organizations your parents or family members belong to, or even your parent's employers
- There are national scholarships sponsored by large corporations and foundations, which look for applicants nationwide who have different interests or skills.

### Once you've found scholarships you'd like to pursue, remember to:

- Stay on top of deadlines and requirements when applying, and be sure to carefully proofread everything you submit for consideration.
- Keep track of all the scholarships you have applied for by setting up a simple spreadsheet.
- Follow instructions.
- Include strong recommendations.

# Using grants and scholarships to pay for college



## What are grants?

Grants for college are typically need-based. They're given out by federal and state governments and by individual colleges. You apply for grants by completing your Free Application for Federal Student Aid (FAFSA®). There's generally nothing else that you have to do.

## What you need to know

- Check to see if your state government funds grants for residents attending in-state schools.
- Many grants are given on a first-come, first-served basis, so submit your FAFSA as soon as possible after October 1.
- Look for financial aid offers from the colleges that have accepted you. These offers will identify grants you're eligible to receive.
- Check with the financial aid office at each college for any additional forms or information they may require for the grants to be awarded.
- Colleges will disburse funds for grants in a single lump sum or in multiple payouts (called "disbursements").
- Colleges will credit students' school accounts with the grant funding they've received to help cover tuition, books, housing, and other school expenses.

## Here are some specific college grants:

- **Federal Pell Grants** are the largest source of federally funded grants. They're awarded based solely on your financial need. Academic grades and extra-curricular activities don't factor into the decision.
- **TEACH Grants** provide grants to students who agree to teach for four years at an elementary school, secondary school, or educational service agency that serves students from low-income families.
- **Federal Supplemental Education Opportunity Grants (FSEOG)** assist low-income undergraduate students who need financial aid to help pay for college.
- **Iraq and Afghanistan Service Grants** are available to students whose parent or guardian died as a result of military service after September 11, 2001, in Iraq or Afghanistan.

[Learn more at SallieMae.com/CollegePlanning](https://www.salliemae.com/CollegePlanning)

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# Options for filling a financial gap

## Comparing the Federal Direct Graduate PLUS Loan, private student loans, and private parent loans

Many families with graduate students consider paying for their education with either Federal Direct Graduate PLUS Loans or private education loans. This comparison chart will help you understand the features and benefits of each type of loan. Interest rates and fees for private loans vary between lenders and are generally based on the credit of the individual borrower and cosigner; however, other factors may also be considered.

	Federal Direct Graduate PLUS Loan <sup>1</sup>	School-certified private student loan <sup>2</sup>	Private parent loan <sup>2</sup>
<b>Borrower</b>	Student	Student	Parent or other eligible non-student individual
<b>Credit check required</b>	Yes, applicants with an adverse credit history may obtain an endorser or meet additional requirements to qualify.	Yes. Loan approval and pricing is generally based on creditworthiness. Lenders may also consider other factors.	Yes. Loan approval and pricing is generally based on creditworthiness. Lenders may also consider other factors.
<b>Cosigner requirement</b>	No, but applicants with an adverse credit history may obtain an endorser.	No, but a student with little or no credit history, may have a better chance of approval by applying with a creditworthy cosigner.	No, but if the borrower is not eligible on their own some lenders may offer a cosigner option.
<b>Cosigner release option</b>	This loan does not require a cosigner.	Many lenders provide a cosigner release option where the student can apply to release the cosigner after they graduate, make a specified number of on-time payments, and meet underwriting requirements.	Varies by lender; check for availability.
<b>Interest rate</b>	For loans first disbursed on or after July 1, 2021 and before July 1, 2022, the interest rate is fixed at 6.28%.	Many lenders offer both variable and fixed interest rates. Interest rates for graduate students start from 1.89% to 12.00% for variable and range from 4.64% to 12.59% for fixed. Although lenders may consider multiple factors, rates are generally based on the borrower's and cosigner's creditworthiness, so those with good credit may qualify for a lower rate.	Most lenders offer a fixed interest rate which can range from 4.55% to 13.99%. Some lenders may also offer a variable interest rate, which can start from 1.97% to 13.00%. Rates are generally based on applicant's creditworthiness; other factors, such as income and repayment term, may also be considered.
<b>Origination/disbursement fees</b>	4.228% for loans first disbursed on or after October 1, 2020 and before October 1, 2022	Varies by lender; most offer 0%	Varies by lender; most offer 0%
<b>Minimum payment amount while the student is enrolled in school</b>	PLUS Loan payments are deferred during school and for six months after graduation, leaving school, or dropping below half-time enrollment (interest continues to accrue during this time and is added to the loan's principal amount when the deferment period ends).	Varies by lender. Many lenders allow private loan payments to be deferred while in school (interest accrues during this time and unpaid interest is added to the loan's principal amount when the deferment period ends). Many lenders offer options to make interest payments during the in-school period.	Varies by lender. Some lenders allow interest payments while in school. Others may offer or require immediate principal and interest repayment.
<b>Repayment term</b>	10 – 25 years of principal and interest payments	Varies by lender; typically terms of 5 – 20 years of principal and interest payments are offered.	Varies by lender; typically terms of 5 – 15 years of principal and interest payments are offered.

	<b>Federal Direct Graduate PLUS Loan<sup>1</sup></b>	<b>School-certified private student loan<sup>2</sup></b>	<b>Private parent loan<sup>2</sup></b>
<b>Payment flexibility</b>	PLUS loans for graduate students are eligible for multiple repayment plans including standard, graduated, and extended repayment options, federal consolidation, pay as you earn, income-driven repayment, and some public service loan forgiveness options. See studentaid.gov for more information.	Varies by lender. Contact lender for their specific repayment options.	Varies by lender. Contact lender for their specific repayment options.
<b>Responsibility to pay</b>	Student and endorser (if applicable)	Student and cosigner (if applicable)	Parent or other creditworthy adult
<b>Loan limits</b>	Up to 100% of the school-certified cost of attendance minus other financial aid received	Generally, up to 100% of the school-certified cost of attendance minus other financial aid received. Lenders can have different loan limits for different loan programs and may base the limits on various factors.	Varies by lender, may or may not require school-certification. Some lenders may have minimum and maximum loan amounts and may base the limits on various factors.
<b>Minimum enrollment status</b>	Student must be enrolled at least half time	Varies by lender. Some offer loans to borrowers who are attending school less than half-time.	Varies by lender. Some offer loans to borrowers with students who are attending school less than half-time.
<b>Application process</b>	Online with the Department of Education through the FAFSA® process, but some schools have different application processes.	Online with lender; there may be other potential application options, e.g., applying over the phone.	Online with lender; there may be other potential application options, e.g., applying over the phone.
<b>Free Application for Federal Student Aid (FAFSA) required</b>	Yes.	No. Families are not required to complete the FAFSA unless it is the policy of the school.	No. Families are not required to complete the FAFSA unless it is the policy of the school.
<b>Borrower benefits</b>	0.25 percentage point interest rate reduction for automatic debit enrollment	Most lenders offer a 0.25 percentage point interest rate reduction for automatic debit enrollment. Additional benefits vary by lender.	Most lenders offer a 0.25 percentage point interest rate reduction for automatic debit enrollment. Additional benefits vary by lender.
<b>Death and disability loan forgiveness</b>	Yes. If the primary borrower dies or becomes permanently and totally disabled, then the loan will be discharged if certain conditions are met.	Varies by lender. Some lenders waive the remaining balance in the event of the primary borrower's death or permanent and total disability.	Varies by lender. Some lenders waive the remaining balance in the event of the student's death or permanent and total disability.
<b>Ability to consolidate through the Department of Education</b>	Yes. The student can consolidate with other federal loans in their name.	No	No
<b>Options for denied loans</b>	If you have an adverse credit history, you may still be able to receive a PLUS loan if you meet additional requirements. See studentaid.ed.gov for more information.	Student can apply with a different cosigner if the cosigner is denied.	Varies by lender; parent or other creditworthy individual may be able to apply with a cosigner.
<b>Tax deduction for interest paid<sup>3</sup></b>	The interest paid on the loan may be deductible subject to IRS guidelines.	The interest paid on the loan may be deductible subject to IRS guidelines.	The interest paid on the loan may be deductible subject to IRS guidelines.

This information is provided by Sallie Mae for your reference.

<sup>1</sup> Federal loan rate and fee information is provided by Federal Student Aid, an Office of the U.S. Department of Education.

<sup>2</sup> Private loan information is based on a June 16, 2021 review of national private loan programs offered by Sallie Mae and its publicly-traded competitors. Variable rates may increase over the life of the loan.

<sup>3</sup> Sallie Mae does not provide, and these materials are not meant to convey, financial, tax, or legal advice. Consult your own financial advisor, tax advisor, or attorney about your specific circumstances.

Explore federal loans and compare to make sure you understand the terms and features. Private student loans that have variable rates can go up over the life of the loan. Federal student loans are required by law to provide a range of flexible repayment options, including, but not limited to, income-based repayment and income-contingent repayment plans, and loan forgiveness and deferment benefits, which other student loans are not required to provide. Federal loans generally have origination fees, but are available to students regardless of income.

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# Repaying your student loans: Useful tips



As you begin to repay your loans, these strategies can help make the process simpler.

## Tips for managing your loans and finances



### Make automatic payments

Sign up for auto debit and you won't need to worry about late payments. You may also get an interest rate reduction.



### Make payments every month

Missing payments, along with deferment or forbearance, will typically cost you more in the long run, due to accruing interest.



### Pay a little extra each month

Extra payments may help you pay off your loan faster and lower your total loan cost.



### Create a budget

Track your monthly expenses to help you cut out unnecessary items and pay down your loan(s) even faster.



### Reach out if you need help

Call your loan servicer to discuss your options. Changes to your payment plan may give you some flexibility.



### Build an emergency fund

If you can, try to save \$500 to \$1,000 to cover unexpected expenses.



### Beware of scams

Fraudulent companies might claim to offer easy ways to lower your loan payments and charge you fees. Don't fall for it!



### Don't miss important information

Update your post-school account info—address, email, phone—with your loan servicers so notices and statements reach you.

## Definitions

<b>Accrued interest</b>	The amount of interest that has been charged to the loan during the billing period.
<b>Annual Percentage Rate (APR)</b>	The annual cost of borrowing. This includes interest, fees, premiums, etc., expressed as an annualized percentage rate based on the expected terms—in other words, the amount of time
<b>Interest rate</b>	The rate a lender charges you to borrow money.
<b>Capitalized interest</b>	Unpaid, accrued interest that's added to your principal amount.
<b>Grace period</b>	The amount of time after leaving school when no loan payment is due— typically six months. If you were making in-school payments on your loan, you may need to continue those payments during the grace period.
<b>Repayment term</b>	How long you're responsible for making principal and interest payments on your loan. This period generally begins the day after the last day of your grace period.

## How to find your student loans

**Federal student loans:** Visit the National Student Loan Data System at [StudentAid.gov](https://studentaid.gov).

**Private education loans:** The best resource is to request a copy of your credit report. (Note: Not all servicers may report their loans, so your credit report may not include all private education loans.)

Try the Student Loan Payment Amount Estimator  
[salliemae.com/studentloanrepaymentcalculator](https://salliemae.com/studentloanrepaymentcalculator)

## Estimate your monthly loan payment

**1** Choose either the 10-year or 15-year repayment schedule.

**2** Find the principal amount at the time of repayment that's closest to yours.

**3** Select the APR closest to your loan's rate.

	Principal amount at time of repayment (\$)	Number of payments	3% APR		5% APR		7% APR		8% APR		9% APR		11% APR	
			Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)
10-year term	1,000	20	51	26	52	44	\$53	62	54	71	54	81	55	99
	5,000	108	53	711	58	1,220	63	1,753	65	2,030	68	2,313	73	2,898
	10,000	120	97	1,587	106	2,728	116	3,933	121	4,560	127	5,202	138	6,530
	20,000	120	193	3,174	212	5,456	232	7,866	243	9,119	253	10,402	276	13,060
	25,000	120	241	3,968	265	6,819	290	9,832	303	11,398	317	13,003	344	16,326
	50,000	120	483	7,936	530	13,640	581	19,665	607	22,797	633	26,006	689	32,650
	75,000	120	724	11,905	795	20,459	871	29,497	910	34,195	950	39,008	1,033	48,976
	100,000	120	966	15,873	1,061	27,279	1,161	39,330	1,213	45,594	1,267	52,011	1,378	65,300
	150,000	120	1,448	23,809	1,591	40,918	1,742	58,996	1,820	68,389	1,900	78,017	2,066	97,950
	200,000	120	1,931	31,745	2,121	54,557	2,322	78,660	2,427	91,186	2,534	104,022	2,755	130,600
15-year term	10,000	180	69	2,431	79	4,234	90	6,178	96	7,203	101	8,257	114	10,459
	15,000	180	104	3,646	119	6,352	135	9,268	143	10,803	152	12,385	170	15,688
	20,000	180	138	4,862	158	8,469	180	12,359	191	14,403	203	16,513	227	20,918
	25,000	180	173	6,077	198	10,586	225	15,448	239	18,004	254	20,643	284	26,147
	50,000	180	345	12,152	395	21,172	449	30,894	478	36,009	507	41,283	568	52,294
	100,000	180	691	24,304	791	42,342	899	61,789	956	72,017	1,014	82,569	1,137	104,588
	150,000	180	1,036	36,457	1,186	63,514	1,348	92,683	1,433	108,026	1,521	123,852	1,705	156,882
	200,000	180	1,381	48,609	1,582	84,686	1,798	123,579	1,911	144,034	2,029	165,135	2,273	209,174
	300,000	180	2,072	72,913	2,372	127,028	2,696	185,366	2,867	216,053	3,043	247,704	3,410	313,762

The monthly payment calculations in this chart are based on standard principal and interest payments and do not include fees or repayment interest rate discounts; they are based on the APR at the time of repayment. Variable interest rates may increase over the life of the loan. The chart and interest rates are provided for informational purposes only and are not specific to any Sallie Mae education loan product.

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