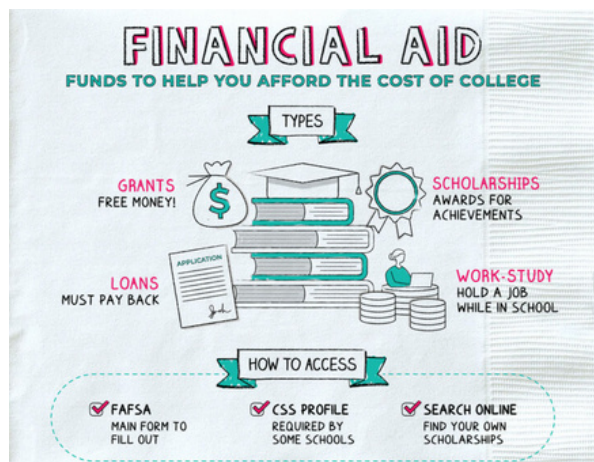


STUDENT STACKS

July 2023 | Volume 02



Source: Napkin Finance

PAYING FOR SCHOOL: ORDER OF OPERATIONS

Is there an order of operations for how to pay for school? Yes! The first step is to use funds that do not need to be paid back, such as scholarships, work study, and your savings. It may be hard to see your savings account drop, but using these funds means you won't pay interest. So, it saves money.

Utilize student loans after exhausting funds that do not need to be repaid. Use federal loans first before private loans. Track your loans to know what you have taken out.

SCHOLARSHIPS

Scholarships are awarded to students to help pay for school. [MUSC SOARS](#) (Scholarship Opportunity Awards Resource System) is utilized to streamline the application process.

The scholarship season varies by college. In order to be considered for need-based scholarships you must have an up-to-date FAFSA filed with Student Financial Aid. Filter scholarships by college in "Show Filters".

Detailed Instructions: [Student Manual](#) | [Video Demo](#)



If possible, pay the interest off before it capitalizes.

WORK STUDY

The Federal Work Study Program (FWS) provides financial aid through wages. Eligibility is determined by demonstrated financial need. Positions must be on-campus and currently earn \$13/hour. Learn more about [work study](#).

FINANCIAL AID

Interest rates on federal student loans fluctuate annually. Interest capitalization occurs when unpaid interest gets added to the principal loan balance. Then, interest for the loan is calculated with the new principal. Essentially, it is interest on top of interest. When capitalization occurs varies. Explore more about [loan interest](#).

Interest Rates for Direct Loans First Disbursed on or After July 1, 2023, and Before July 1, 2024

Loan Type	Borrower Type	Fixed Interest Rate
Direct Subsidized Loans and Direct Unsubsidized Loans	Undergraduate	5.50%
Direct Unsubsidized Loans	Graduate or Professional	7.05%
Direct PLUS Loans	Parents and Graduate or Professional Students	8.05%

Source: Federal Student Aid



RETURN OF FUNDS

Did you have extra student loan funds? Save the interest accrual and loan fees on the portion that is returned within 120 days. It may take up to two weeks for a return request to be processed. So, MUSC's practice is to ask students who wish for MUSC to return excess loans on their behalf to submit the form within 106 days of disbursement.

Access the [return of funds form](#).

Summer Deadline: August 4th



TACKLE STUDENT LOAN DEBT

1. Research the average student loan debt for your program in the United States.
2. Use this as a target to remain under while in school.
3. Determine the actual amount you need and stay under the national average.

UPCOMING EVENTS

Sticking to a Student Budget

Virtual Teams Meeting
Wednesday, July 19 @ noon
Register on Engage

CHP Networking Event

A101
Thursday, July 20 @ 8:30 am - 9:50 am

Brightspace Certificate Luncheon

Wellness Center Auditorium
Wednesday, July 26 @ noon



Is Loan Interest Accumulating Now?

Graduate student loans are unsubsidized, meaning that the moment funds are disbursed interest begins accruing. For the past three years, student loans have not accrued interest. Federal student loans are set to calculate interest again in August as they did pre-pandemic. Calculate the monthly interest for each loan with the equation to the right.



DO THE MATH



Calculate monthly interest for each student loan.

$$\begin{array}{rcl} \text{Outstanding} & & \\ \text{Principal Balance} & \times & \text{Interest Rate} & = & \text{Total Monthly Interest} \\ \$27,632 & \times & (7.05\% \div 12) & = & \$162.33 \end{array}$$

Want to save on interest? Return unneeded funds.



The Supreme Court's decision on the legality of President Joe Biden's Student Loan Debt Relief plan is expected this summer. It aims to forgive up to \$20,000 for those who qualify. Qualifiers earn less than \$125,000 (individual) or \$250,000 (married couples/heads of household) and/or received a Pell Grant. Subscribe to [Student Aid's updates](#) for the latest information.



Questions? [Schedule a 1:1 counseling appointment.](#)

