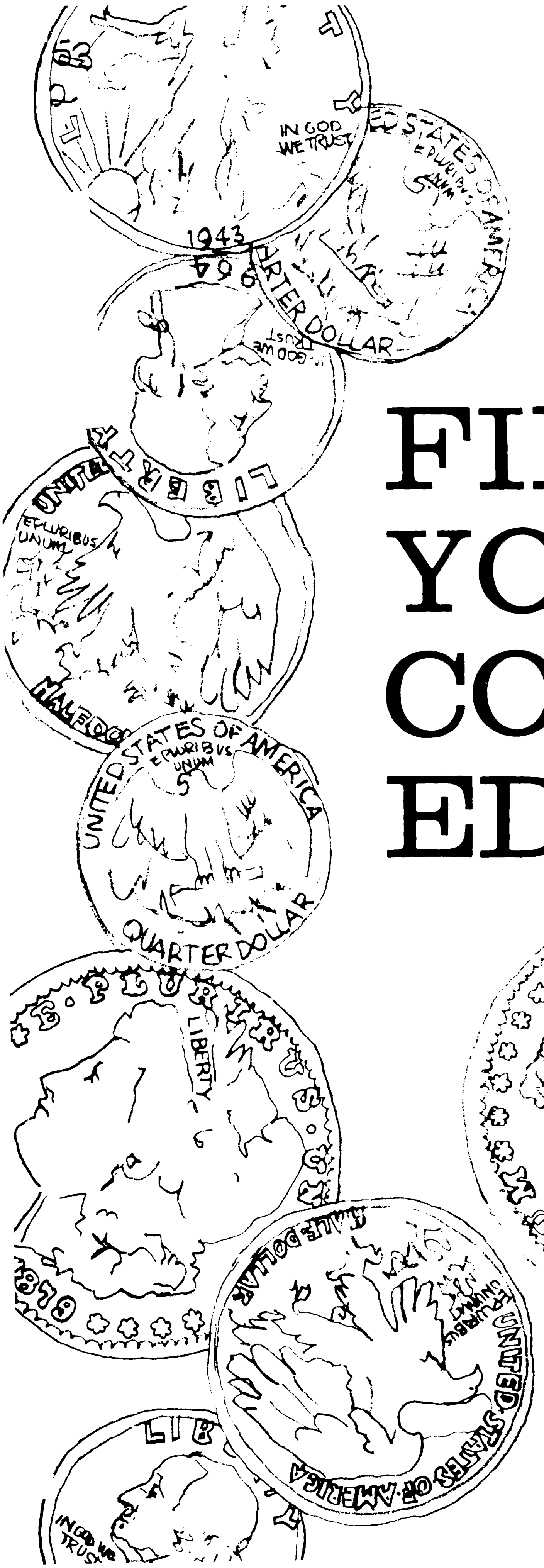

FINANCING YOUR COLLEGE EDUCATION

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COLLEGE COSTS ARE RISING

College costs are bound to increase with greater numbers of students attending college and the resulting rise in construction of more dormitories, classrooms, and laboratories, and enlarging of faculties. College costs have more than doubled since 1940, and by 1975 are predicted to double again. Costs for tuition, fees, room and board, books, clothing, and transportation in 1955 averaged about $1,200 for public or state-supported colleges and universities, and $1,800 for private colleges and universities. By 1964 these costs had risen to $1,500 and $2,300 respectively. By 1970, costs should average about $1,800 for state-supported colleges and universities, and $2,800 for private institutions. These costs, will vary with the type, size, and location of the institution.

LOCATING A MONEY SOURCE

As a high school student, you realize the increased importance of a college education. You also know that a college degree is one of the best financial investments you can make. You may have the grades, the ability, and the desire to get more education, but not have the money necessary to meet rising college costs. Will you just give up, like about 40% of qualified Virginia high school students do, or will you begin to look around for ways to finance your college training?

DON'T DEPEND ON MOM AND DAD

In the past, most college students came from families who could afford to send them. Now, with about 39% of all 18 to 21 year-olds attending college, many students come from families who have to sacrifice to send them. To finance one college education, it is estimated that a family with an income of $6,000 after taxes could budget $960 a year, $710 per year if there were 2 dependent children in the family, $550 with 3 dependent children, and $440 with 4 dependent children. With a median income in Virginia in 1960 of $4,964, it is not difficult to see the burden placed on a family to send their children through college. Youth who desire higher education, but who do not have family financial support, must seek other ways of financing.

HOW ABOUT BORROWING?

There are a number of ways a student can finance his way through college. Three of the most familiar are by savings accumulated in high school, by scholarship, and by part-time employment while in college. This part-time employment can be a college job or in some establishment near the campus. Because working one's way through college is becoming increasingly harder to do, a fourth major money source has emerged and is fast gaining in popularity—borrowing necessary college funds. Only a few years ago college-bound students shied away from long-term loans; parents and bankers were also skeptical of this method of financing education. However, attitudes have changed, and today a student can finance a college education just about as easily as borrowing for an automobile. Student loans have increased from about $70 million in 1955 to about $723 million in 1964. It is estimated that probably one-third or more of the 3 million full-time college students are attending college on borrowed money.

How will borrowing your way through college affect your lifetime earnings? If it costs you $10,000 for 4 years of college, the chances are excellent the net result will be an income increase of more than $160,000 over what you could earn without the education.

To help you learn more about borrowing money to get through college, the information on the next page illustrates loan programs for higher education from a number of important sources, and their requirements. After careful study and investigating local money sources, you might well decide that by financing your college education with a loan you will not have to worry about money or rising college costs.

LOAN PROGRAMS FOR HIGHER EDUCATION

	NATIONAL LOAN PROGRAMS	STATE LOAN PROGRAMS	COLLEGE LOANS	USA FUNDS, INC.	PRIVATE SOURCES	BANK LOANS	FINANCE CO. LOANS
ELIGIBILITY REQUIREMENTS	College selects superior students in education, science, math, engineering or modern languages.	Resident of state, often above freshman year.	Usually, acceptable grades at the college.	College recommendation. No freshmen. Must prove need.	Varies, but usually some affiliation or residence requirement.	Normal credit rating.	Normal credit rating.
WHO MAY APPLY	Student alone, except where state laws require parent's endorsement.	Parent or spouse co-signer may be required if student is under 21 or married.	Usually student alone.	Students under 21 need parent's signature for approval, but not endorsement.	Usually student alone.	Parent or guardian applies. No collateral required.	Parent or guardian must apply. No collateral needed.
MAXIMUM AMOUNT	$1,000 per year. $5,000 over 5 years.	$500 to $1,500 per year. $1,500 to $7,500 total.	Averages lower than other sources. $100 to $500 per year. $400 to $2,000 total.	$1,000 per year. $4,000 total.	Varies, but averages about $500 per year.	$10,000 over 4 years.	Tuition plan: no maximum. HFC: $3,500 per year; $14,000 over 4 years.
YEARLY INTEREST	3% simple. Starts at the beginning of repayment period.	None up to 6% simple while in school; 3% to 9% after graduation.	None to 4% while in school; higher after graduation.	6% simple. Starts when loan is made.	None or very low.	6% to 12% simple on amount in use.	Tuition plan: over 15%. HFC: over 14%.
ADDITIONAL CHARGES	(NONE.)	(USUALLY NONE.)	(NONE.)	(NONE.)	(NONE.)	Some plans have initial $15 fee and/or monthly 50¢ service charge.	Tuition plan: none. HFC: $1 per month service charge.
REPAYMENT OBLIGATION	Debt canceled upon death of student.	State government or bank usually guarantees ⅘ of the loan.	Varies.	Life insurance on student. USA funds guarantees in case of default.	Usually canceled upon death of student.	Life insurance on borrower. Minimum age, 21; maximum age, 60 or 65.	Life insurance on borrower.
REPAYMENT SCHEDULE	Begins one year after graduation.	Usually begins after graduation.	Usually begins 6 months to 1 year after graduation.	First payment due 5 months after graduation.	Usually begins after graduation.	Begins immediately after loan is made.	Begins immediately after loan is made.
REPAYMENT PERIOD	Extends up to 10 years.	Varies, but may extend up to 6 years.	May extend up to 5 years. Individual arrangements may be made.	36 to 54 months.	Varies, and individual arrangements are often made.	Extends up to 4 years after graduation.	Tuition plan: extends up to 2 years after graduation. HFC: up to 1 year after graduation.
COLLEGES PARTICIPATING	Over 1,500.	Accredited colleges. May be limited to colleges in state.	Varies, but with more commercial and government loans available, some colleges are eliminating loan programs.	Over 650.	Accredited colleges.	Any accredited college.	Tuition plan: 750. HFC: over 300.
COMMENTS	Full-time teachers may cancel up to 50% of the loan.	Debt is sometimes canceled if person teaches, practices medicine, etc., in state for a specified period of time.	Installment payment is common.	If student drops out, repayment begins in 30 days.	Information is highly variable, but these estimates were made by an expert in the field.	If student drops out, repayment follows normal schedule.	Tuition plan: Loans must be made through a college. HFC: Loans may be made through college or directly.
SOURCES FOR INFORMATION	College financial aid officer.	High school guidance counselor, college financial aid officer or state education officer.	College financial aid officer.	United Student Aid Funds, 845 Third Ave., N.Y., N.Y. 10022	High school guidance counselor or service clubs, fraternal or professional organizations, labor unions, corporations, church or civic groups, foundations.	Installment credit. Commission of the American Bankers Assoc., 90 Park Ave., N.Y., N.Y. 10016, or a local bank.	The Tuition Plan, 1 Park Ave., N.Y., N.Y. 10016, or Household Finance Corp., Prudential Plaza, Chicago 1, Ill.

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