

Guide to college financing

What you need to know about paying for college



Together we'll go far



About this guide

In today's increasingly competitive world, it pays to invest in your education. But with tests and applications for admissions and financing, preparing for higher education can be a lot to manage. Wells Fargo can help.

This free guide takes you through the financial aid process step by step. And if you have questions, you can call us toll free at 1-800-658-3567 or visit us online at wellsfargo.com/student.

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Creating a budget

Once you’re in college, you’ll need to create a realistic budget you can live with. Aside from tuition, fees, books, and housing, you’ll also need to plan for items like food, transportation, and entertainment. This simple worksheet can help you estimate how much you’ll need for school.

If you’re unsure of some of these costs, check with your school. Course catalogs can often give you an idea of what expenses to expect. For more help, see our guide to creating a budget at wellsfargo.com/student/money/budget.

Subtract your total expenses from your estimated income. If you’re left with a negative number, you may need to reduce your expenses or consider other forms of financial aid.

Calculate what you need to borrow

Add the following to determine your income:	Multiply by:	Total item \$
Your monthly income if you'll work during college	x 9	
Your total income from a summer job	x 1	
Monthly help from parents/family	x 9	
Scholarships and grants	x 1	
Total income for the school year	=	
Add the following to determine your expenses:		
Monthly food including groceries, snacks, eating out	x 9	
Monthly housing, off- or on-campus (rent, utilities, etc.)	x 9	
Monthly transportation (car expenses or public transportation)	x 9	
Monthly telephone	x 9	
Monthly entertainment	x 9	
Personal items (clothing, laundry, shampoo, etc.)	x 9	
Tuition and books	x term	
School supplies (computer, paper, pens, parking permit, etc.)	x term	
Moving expenses to and from school	x 1	
Insurance (medical, car, etc.)	x 1	
Medical costs (deductibles, prescriptions, etc.)	x 1	
Total expenses for the school year	=	
Total income minus expenses	=	



Four steps to financial aid

Covering the cost of higher education can be a challenge for any new student. The good news is that nearly everyone is eligible to receive some form of financial aid. Follow these four easy steps to learn more about the financial aid process and student loans.

Step 1

Complete your FAFSA

The road to financial aid starts with the Free Application for Federal Student Aid (or FAFSA). The information you provide on this federal form will determine how much aid—and what types of aid—you'll be offered at each of the schools you're considering.

Some types of financial aid—like grants and scholarships—are made available on a first-come, first-served basis, so it's important that you submit your FAFSA as early as possible after January 1. You won't be able to receive any amount of federal aid (including loans) until your FAFSA has been processed.

What you'll need:

- Social Security number
- Tax and income information
- Investment and mortgage information (if applicable)

If you're claimed as a dependent for tax purposes, you'll need to supply this information for your parents as well. Complete your FAFSA online at fafsa.ed.gov to reduce the amount of time required for processing and to help you avoid making common mistakes.

Step 2

Review your Student Aid Report (SAR)

Four to six weeks after you submit your FAFSA, you'll receive a Student Aid Report (SAR) in the mail. This report details your Expected Family Contribution (EFC), which is the amount your family will be asked to contribute toward your education.

Each of the schools you specified on your FAFSA will also receive a copy of your SAR. They will use your SAR to determine the financial aid you'll be offered from them. If you don't receive a SAR in time, or if you need another copy, call the Federal Student Aid Information Center at **1-800-433-3243**.



Four steps to financial aid (*continued*)

Step 3

Compare financial aid packages

Each of the schools you listed on your FAFSA will send you an award letter if you've been accepted for admission. These award letters will outline the total cost of attendance at each school, your EFC, and a financial aid package to help pay for college.

The aid package will usually contain a combination of awards that don't have to be repaid (such as grants, scholarships, and work-study) and aid that must be repaid (loans). It's your choice whether you accept all, some, or none of the aid being offered.

Step 4

Consider our other financing options

Your financial aid package and your EFC may not completely cover your cost of attendance. Even with a Federal Stafford Loan, it's likely that you'll have additional expenses. At ***wellsfargo.com/student***, you'll find a complete range of loan options, including private student loans from Wells Fargo, that can help cover any remaining education costs.

Be sure to use your lowest-cost option first, like grants, scholarships, and federal loans.



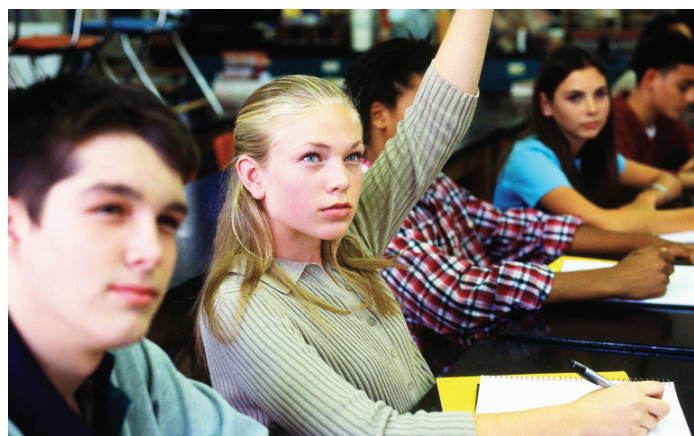
Federal Stafford Loan for students

The Federal Stafford Loan is the most popular federally insured education loan for undergraduate and graduate students. No credit check is necessary to qualify, and no payments are required until six months after you graduate or drop below half-time enrollment.

Program benefits

- No payments required while enrolled at least half-time
- No payments required for six months after you graduate, leave school, or drop below half-time enrollment
- No co-borrower or credit check required
- Low, fixed interest rate
- Online application at wellsfargo.com/student

Through June 2012, subsidized Stafford Loans for undergraduates carry lower interest rates than unsubsidized loans.



Borrowing limits

Your grade level in school, your dependency status, and your family's available financial contribution are factored in to determine the amount you can borrow under this program.

Subsidized versus unsubsidized loans

Federal Stafford Loans come in two forms: subsidized and unsubsidized. Awarded on the basis of financial need and dependency status, the federal government pays interest on subsidized loans while you're in school or during the grace period prior to repayment. Unsubsidized loans are not based on need, and interest payments may be deferred while you're in school.

Notice: Wells Fargo may, at its option, sell federal student loans it originates to an unaffiliated third party, and may also transfer servicing rights as a result of the sale. If this occurs, Wells Fargo or the new holder will provide you timely notification of the sale, and the address and phone number for the new servicer, if applicable.

Stafford Loan interest rates

School year (July 1 - June 30)	Subsidized undergraduate loan	Unsubsidized undergraduate/ graduate loan
2008 - 09	6.0 %	6.8 %
2009 - 10	5.6 %	6.8 %
2010 - 11	4.5 %	6.8 %
2011 - 12	3.4 %	6.8 %
2012 - 13	6.8 %	6.8 %

Annual Stafford Loan limits

July 1, 2009 - June 30, 2010	Dependent undergraduate	Independent undergraduate	Graduate student
Year 1	\$5,500	\$9,500	\$20,500
Year 2	\$6,500	\$10,500	\$20,500
Years 3, 4, and 5	\$7,500	\$12,500	\$20,500
Maximum aggregate debt	\$31,000	\$57,500	\$138,500

Federal PLUS Loan for graduate students and parents of undergraduates

The Federal PLUS Loan is an affordable, fixed-rate loan designed for parents of undergraduates and professional students. With this loan, applicants can cover 100 percent of education costs, minus other financial aid received. There are no collateral requirements or income limitations, so any borrower is welcome to apply.

Program benefits

- No payments required while student is enrolled at least half-time
- Preapproval in minutes
- Low 8.5% fixed interest rate
- Online application at [*wellsfargo.com/student*](https://wellsfargo.com/student)

Wells Fargo private student loans

To help you cover the rest of your education costs after you've utilized all your available federal aid, grants and scholarships, you may want to consider a private student loan.

Wells Fargo private loans are:

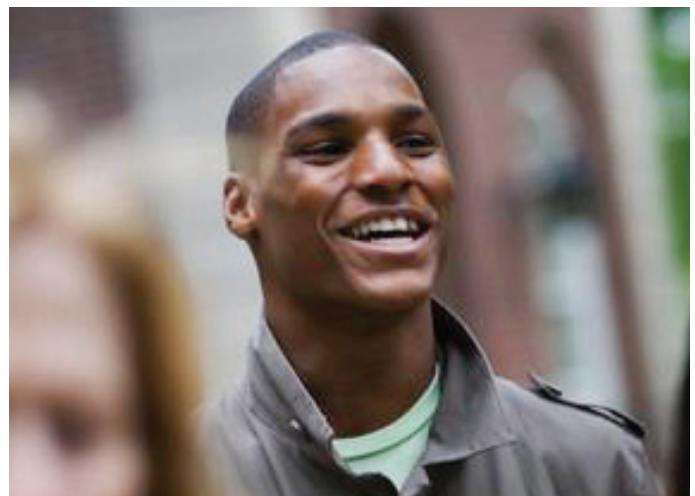
- Credit-based
- Not government-guaranteed
- Available to graduate and undergraduate students

And they offer:

- Variable interest rates
- No payments until six months after you leave school (maximum in-school periods apply and vary by loan program)
- Applications online or by phone
- Generous loan limits

To find the Wells Fargo private loan that meets your needs, visit [*wellsfargo.com/student*](https://wellsfargo.com/student).

All loans subject to qualification.



Managing your student loans

Before you begin repayment, your lender or holder of your loans will provide you with a repayment schedule. Remember that you must repay your student loans even if you've failed to complete your degree, are unhappy with your education, or can't find immediate employment after graduation.

If you fail to repay your student loans, it can negatively affect your credit for years to come. Here are some tips that can help you manage your education loans and maintain your good credit.

Stay in touch

If you transfer schools, be sure to inform your student loan lender or servicer. If your lender or servicer is unaware that you've changed schools, your loans could be forced into early repayment. Also, if you change your name, address, or phone number, make sure your lender or servicer knows how to contact you.

Postpone payments when necessary

If you ever encounter difficulty making your monthly loan payments, contact your lender or loan servicer immediately. Under certain conditions, you may be eligible for a deferment or forbearance. These options can temporarily stop or reduce your loan payments.

Remember that neither deferment nor forbearance is automatic. You must apply for deferment or forbearance with your lender or loan servicer. If you apply for deferment or forbearance, you must continue to make payments until your request has been approved.



Tax incentives for education

These tax benefits can make paying for school much easier. Be sure to consult IRS Publication 970 and your tax advisor to determine your eligibility for these incentives.

Tuition and fees deduction

Qualifying taxpayers may deduct up to \$4,000 of qualifying tuition and fee expenses each year. Itemization of tax deductions is not required.

Education loan interest deduction

Qualifying taxpayers may deduct up to \$2,500 of the interest paid on certain education loans. Itemization of tax deductions is not required.

American Opportunity Tax Credit

Starting with the 2009 tax year, qualifying taxpayers can claim a tax credit of up to \$2,500 per student.

Lifetime Learning Tax Credit

Qualifying taxpayers may claim a tax credit of up to \$2,000 per year (20 percent of the first \$10,000 in qualifying education expenses). This credit is applied per tax return, not per student.



Helpful online tools and resources

Whether you're planning for higher education, trying to pick a college or graduate school, or simply looking for extra education tips, the Internet is an excellent resource. Start your research at wellsfargo.com/student for great tips about applying for financial aid, loan program comparisons, and more.

Budget guides and loan repayment calculators

These free tools are a great way to estimate how much financial aid you'll need and what your payments will be once you graduate.

Sign up for our blog—The Student Loan DownSM

Wells Fargo will give you the lowdown on all things student loan: applying for them, selecting them, repaying them. You'll be guided through the financial aid process and hear real-life experiences—both from former students and Wells Fargo team members. The blog will talk about the resources you need to prepare and pay for school. It will cover budgeting and debt management strategies, too. Sign up at blog.wellsfargo.com/StudentLoanDown.

Sign up for CollegeSTEPS— and your chance to win a scholarship

If you're a high school student, enroll in Wells Fargo's **CollegeSTEPS** Program to get valuable information on scholarships, financial aid, testing, and college preparation through electronic postcards. By signing up for the program, you'll be automatically entered into the **CollegeSTEPS** Scholarship Sweepstakes¹. High school seniors get a chance to win one of twenty \$1,000 tuition prizes. Sign up at wellsfargo.com/student/planning/scholarships.

Why choose Wells Fargo?

Investing in your education is a smart decision, and so is choosing the right student loan provider. At Wells Fargo, we make it easy to apply and you'll receive the funds you need quickly.

When you choose Wells Fargo as your student loan provider, you'll get:

- Fast access to funds with applications that can be completed online
- Experienced and dedicated customer service representatives who can assist you every step of your financial aid path
- A top education finance lender you can trust for market-leading technology, a comprehensive product suite, and unmatched personal service.

Get started today by calling us toll free at **1-800-658-3567** or visit us online at wellsfargo.com/student.

¹ NO PURCHASE OR PAYMENT OF ANY KIND IS NECESSARY TO ENTER OR WIN THIS SWEEPSTAKES. Purchase does not improve the chance to win. Continued CollegeSTEPS Program enrollment not required for Sweepstakes entry. Sweepstakes begins July 1, 2009, at 7:01 a.m. (CT) and ends May 31, 2010, at 7:01 a.m. (CT). Sweepstakes is open to any current U.S. resident (excluding residents of New York, Florida, and Rhode Island) who has enrolled in the CollegeSTEPS Program, is a high school senior during the 2009-2010 school year, and graduates from high school in 2010. Limit one entry per Eligible Entrant during the Sweepstakes Period. Void where prohibited or restricted by law. Actual odds of winning depend upon the total number of entries received at the time of winner selection. See the Official Rules at <https://wfefs.wellsfargo.com/csteps/rules.jsp> for complete details.

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