

## FROM SOUTHWEST STUDENT SERVICES CORPORATION:

### TOP 10 STRATEGIES FOR FINANCING A COLLEGE EDUCATION

1. **Focus on academics first!** Grades, trends in grades, course selection, standardized test scores, and the student's writing ability all are major factors in determining scholarships and award packaging.
2. **Save money in the parent's name, NOT the student's name.** A 529 College Savings Plan owned by a parent has minimal impact on financial aid, and one owned by a grandparent has no impact on financial aid. Ask grandparents to wait until the grandchild graduates before giving them money to help with their education. Trust funds are generally ineffective at sheltering money from the need analysis process and can backfire on you.
3. **Pay off consumer debt.** Credit cards, auto loan balances, and other types of consumer debt that affect your credit score should be minimized. For some education loans, your credit report will be checked.
4. **The more family members in college at the same time, the more aid will be available to each family member.** This includes parents and dependent children.
5. **Spend down the student's assets and income first.** The student's net asset worth is assessed at a higher rate.
6. **Accelerate necessary expenses.** If you need a new car or computer, buy it before you file the FAFSA. Reduce any available cash savings. Prepay your mortgage, if possible.
7. **Minimize capital gains...Maximize contributions to your retirement fund.** Withdrawing money from your retirement fund to pay for school counts as taxable income, reducing next year's financial aid eligibility. If you must use money from your retirement funds, borrow the money from the retirement fund instead of getting a distribution.
8. **Meet the priority deadlines.** Remember, first-come, first-served.
9. **Choose the date to submit the FAFSA carefully.** Meet priority financial aid filing dates, but also consider that assets and marital status are specified as of the application date.
10. **Contact the Financial Aid Office at the schools you are interested in.** If you feel that your family's financial circumstances are unusual, make an appointment with the financial aid administrator at your school to review your case. Sometimes the school will be able to adjust your financial aid package to compensate using a process known as Professional Judgment.