

BND

THE COLLEGE HANDBOOK

Bank of North Dakota's college planning guide



Bank of North Dakota's (BND) College Planning Center College Handbook will help answer your questions about college. You can also visit bnd.nd.gov/collegeplanning for more detailed information and a wide range of free college planning resources.

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PLANNING FOR COLLEGE

It's never too early or too late to start planning for life after high school. Find useful information on how to choose, apply to and prepare for college.

Which college is for you?

Selecting a college is a big decision because you'll be spending a good amount of time and money there. Attend college fairs and talk to friends who recently graduated to get their opinions. While it is important to choose carefully, some students find they may have chosen a school that isn't a great fit for them. If that happens, you can consider transferring schools.

When choosing a school, consider the following:

- Does it have the major you're interested in studying?
- Do you want to be on a small or large campus?
- Would you like to live in a small or large city?
- Do you want to be close to home?
- What is the cost of attendance and average student debt upon graduation?
- What is the student-to-professor ratio?
- What is the school's graduation rate?
- How long does it take most students to graduate?
- What is the job placement rate?



Choosing a career

It's smart to have some direction regarding the types of careers you may be interested in when choosing your college. You may select one college over another based upon the strength of their programs. Remember that most students don't have their career choice completely figured out when they start college. It's helpful to know your general areas of interest like a medical field, communications, education or politics. That is your starting point and you can work on selecting your major from there.

Answer these questions to get started:

- What type of activities appeal to you? Do you want to work directly with people, with animals, behind a desk or outside? Do you like physical labor? Do you prefer to work with teams of people or on your own?
- What are your strengths? What subjects in school come easy to you? Are you good with numbers? Do you enjoy writing or maybe love giving speeches?
- What kind of skills do you have? Are you the leader of a group in your school? Do you write for the school newspaper? Do you play in the band or enjoy playing basketball?
- How much education or training do you want to receive? Do you like learning in a classroom or would you rather be in more of a hands-on learning environment? Can you see yourself going to school for two years, four years or more?
- How much will you need to make to support yourself after college? Have you researched online or asked people in your interested fields what starting wages are and how quickly they increase?

Applying to college

Forms! It may seem like you're filling out a lot of them, because that's what is needed to apply.

Some of the forms you'll need to complete include:

- College admission application
- Housing application
- Financial aid forms

You can apply to as many colleges as you like, but you'll need to pay the application fee for each. Every college has different admission criteria so review that before filling out your application.



Look for local and
state scholarships
at [bnd.nd.gov/
collegeplanning](http://bnd.nd.gov/collegeplanning)

PAY FOR COLLEGE

College can be costly, but it doesn't have to be out of reach. Careful planning, financial aid and scholarships can help make college a reality for you.

How do I pay for college?

You'll likely need to use several options to pay your entire college bill. These options may include grants, scholarships or work-study programs, as well as any savings you or your family may contribute. Finally, there are student loans, both federal and private.

The first step to receive any assistance starts with getting your Federal Student Aid (FSA) ID and completing the Free Application for Federal Student Aid (FAFSA).

FSA ID and the FAFSA

The FSA ID from the Department of Education can be used to sign your FAFSA and federal loan Master Promissory Note (MPN) online. It can also be used to review and correct your FAFSA and view information about federal student loans and grants you have received.

You and your parent can apply for FSA IDs while completing the FAFSA at fafsa.gov or by visiting fsaid.ed.gov. Save your FSA ID in a secure location and use it each year.

You can complete the FAFSA starting October 1 of your senior year by going to fafsa.gov. Submitting the FAFSA is free so beware of companies or websites that charge you. Completing the FAFSA typically takes less than an hour, even less if you use the IRS Data Retrieval Tool. You will need your parents' tax information if you are claimed as a dependent on their tax return. You can list up to 10 colleges on the application.

After the FAFSA is processed, you will receive a Student Aid Report (SAR) that summarizes the information you provided. Check the SAR for accuracy and make changes if needed. Each college you apply to and list on the FAFSA will receive your information and send you an award letter so you know how much it will cost for you to attend that school. The award letter includes grants, scholarships, work-study options and any federal student loans for which you qualify.

Compare the offers from each school because they will be different based on the cost to attend and college-specific grants and scholarships.



Scholarships and grants

Also known as free money, you never need to repay a scholarship or grant unless you don't meet the requirements like completing the semester or maintaining a certain GPA. Scholarships and grants may be based on your financial need, your group affiliations, academic or extracurricular ability. You apply for grants when you submit your FAFSA. For scholarships, you complete individual applications.

It is important to put effort into writing a good scholarship application. If you receive it, it will likely be the best hourly wage you've ever made! Here are a few tips to help you be successful with your scholarship application:

- Begin looking for scholarships your junior year of high school so you can identify those for which you'd like to apply. The College Planning Center scholarship page on Bank of North Dakota's website is a good start.
- Check for any institutional scholarships at the colleges to which you're applying.
- Apply for as many scholarships as possible.
- Make sure you meet the qualifications before applying.
- Be completely honest about your grades, experiences, memberships, qualifications, family finances and other information.
- Limit your résumé to one page.
- Supplement your application with personal letters of recommendation if requested.
- Proofread everything before you send it.
- Follow up with a phone call to make sure the organization received the application.



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at bnd.nd.gov/collegeplanning

Student loans

There are two types of student loans: federal student loans and private student loans. Federal student loan options depend on financial need and loans for which you are eligible will be listed in the award letter you receive from the college. To learn more about each type of loan, visit studentaid.ed.gov.

Private student loans include the DEAL Student Loan from Bank of North Dakota or a student loan from a community bank. Bank of North Dakota recommends taking out federal student loans first and then filling in any financial gaps with private student loans. Compare interest rates and repayment options to choose the loan which is the most favorable. You don't need to have checking or savings accounts at Bank of North Dakota to get a student loan from them.

Accepting your award letter

When you select the college you'd like to attend, you will need to let them know which financial aid you're accepting from your award letter. Directions on how to accept the aid is in your award letter. Follow up with your college's financial aid office to make sure they've received your acceptance.. If this includes federal student loans, you'll need to sign a Master Promissory Note (MPN) which is a promise to repay the loans. If you get loans from Bank of North Dakota or another bank, you'll have paperwork to sign as well.

The student loans are paid directly to the college and applied to your account. The college will then provide you the balance of the funds in your personal account so you can use them for other college-related expenses.

Reasonable student loan payments

Even though it may seem like a long time from now, you'll need to start repaying your student loans six months after you graduate college or are attending college less than half time. Make sure you don't take out more loans than necessary so you aren't strapped with too much debt. Visit Bank of North Dakota's website and use the Debt-to-Salary Calculator to set the target amount you don't want to exceed in student loan debt.

MANAGE YOUR MONEY

From budgeting to credit cards, saving to spending, identity theft to debt, we have the resources to help make sense of your hard-earned money.

Take control of your spending

Get a file

Start a filing system so you know when your bills are due and how much you owe. Keep copies of bank statements, credit card and utility bills, paycheck stubs, receipts for cash, debit and credit card purchases, loan agreements and insurance documents. Organize digital receipts into a folder on your computer or download a personal finance app to keep everything in one place.

Create a budget

Use the Budget Calculator on Bank of North Dakota's website to get started. Enter numbers from the receipts and bills in your file to help determine how much money you'll need. If you don't have enough money, then you can look for ways to cut expenses so you don't get into trouble by overspending and building up credit card debt.

Watch your accounts

Always review your checking account and credit card balances to make sure someone hasn't gotten into your accounts. Keep in mind that the online balance or the balance at an ATM might not be completely up-to-date if an expense hasn't cleared the bank yet. It's your responsibility to know how much money you have available to spend!

Credit card smarts

A credit card can make it easy to overspend. If you use your card, you must pay for what you buy. You don't get a break because you're a teenager. If you spend more money than you are able to repay, you can ruin your credit score, also known as a credit rating.

Businesses may look at your credit score before renting to you, hiring you, making a car loan or giving you a credit card. Credit information will typically stay on your credit report for seven years.



As a student, you can think of a credit report as your “credit transcript” and a credit score as your “credit GPA.” The rating scale runs from 300-850. Scores of 700 or more are generally considered to be good. Credit scores are based on total debt, the age of the accounts, number of credit accounts including new credit inquiries and the proportion of credit card balance to the total available credit card limit.

You will notice that credit card companies are all of a sudden interested in giving you a credit card. Be extremely careful when choosing a card. You don’t need a card for every business you frequent. It becomes easy to ring up lots of charges you have difficulty repaying. As a college freshman, limit yourself to no more than three credit cards, and preferably only one. Pay off the balances every month so you don’t need to pay interest charges.

Choose the best credit card for your needs. The fees, charges and benefits of each card are items you should compare before selecting a card.

- **Annual Percentage Rate (APR)** is the yearly interest rate.
- **Grace period** is the time between the date of purchase and the date interest begins accruing.
- **Annual fees** are charged by many credit card issuers for granting you credit.
- **Transaction fees and other charges** are added to your bill if you use the card for a cash advance, fail to make a payment on time or exceed your credit limit.

Establish a good credit history

The way you spend money today will follow you for the next seven years. Establish a good credit rating by:

- Paying all bills on time.
- Using checking and savings accounts responsibly.
- Having telephone and utilities billed in your name.
- Limiting the number of times you apply for credit cards. Some businesses will give you a one-time discount if you apply for their card today. Even if you don’t plan to accept the card, that goes as a hit on your credit rating and may lower it.

Protect yourself from identity theft

Stealing the identity of unsuspecting people is big business. Thieves obtain your private information by:

- Looking through your trash
- Stealing your credit card numbers when they process your card
- Pretending to be a financial institution or government agency and calling you for information
- Hacking into your email and online accounts
- Stealing your wallet or purse

Identity theft can ruin your credit rating and your name. Always shred personal and financial documents when you are done with them. Keep your social security card and personal information in a safe place, not your wallet or a drawer others can open. Never give someone your personal information unless you initiate the contact. Stay safe online by selecting passwords that aren't obvious to others and don't click on links in suspicious emails. Identity theft is why it is important to monitor all of your accounts at least monthly to catch any activity that isn't yours quickly.

If your identity is stolen, act immediately. Contact your credit card company right away if you have strange charges on your card, receive bills you do not expect or are denied credit when you've been paying your bills. Check your credit report and place a "fraud alert" on the report if needed. Visit [AnnualCreditReport.com](https://www.annualcreditreport.com) or call 877.322.8228 to order a free credit report. Visit ftc.gov/idtheft for more information.

Get help managing your money

If you find yourself struggling to pay your bills, don't wait to ask for help. You won't solve anything by avoiding phone calls and other contact from the people you owe, also known as creditors. Creditors are often willing to make new arrangements for repayment if you work with them.

The first step is to determine the amount of money you have available every month and how much you need for necessary expenses which include rent/housing, food, car payments/transportation, loan payments and insurance. Take a look at the list to see if you can cut back on any expenses. Then, create a plan that shows how much you can realistically pay to each creditor every month. Now, it's time to call creditors and make arrangements to can repay your debt without damaging your credit rating.

If you have trouble coming up with a plan, see if your college has a financial resource center or contact a not-for-profit credit counseling agency to help you for a small fee or no fee. Avoid companies that promise to take care of everything for a fee. They often try to talk you into filing for bankruptcy and charge you fees for helping you. Bankruptcy stays on your credit report for 10 years and hinders your ability to get credit, so it should ALWAYS be the last resort.

