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**Smart Student Borrowing Essential**

*Experts Recommend Tips for Student Borrowing in This Economy*

WEST DES MOINES, IOWA (March 16, 2009) — As students prepare for college this fall, rising costs and the poor economy may have them thinking about student loans as a means to pay for their education. As long as students are careful to borrow wisely, student loans – especially federal loans with their better terms and conditions – can be a useful tool, according to the Iowa College Access Network® (ICAN).

ICAN recommends these tips for smart student borrowing.

1. **Know what you need.** Contact the admissions or financial aid office of your college to find out estimated expenses for one year. Many colleges list this information on their Web sites.
2. **Create a budget.** Create a budget showing college costs plus additional expenses (like cell phone payments) and expected income (from earnings, for example).
3. **Apply for financial aid.** If you haven't yet, file the Free Application for Federal Student Aid (FAFSA), a free form that may be completed without professional assistance provided by the U.S. Department of Education at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). You may qualify for scholarships, grants and work-study programs, which don't need to be repaid.
4. **Search for scholarships.** Talk to the school counselor and look for local scholarships. Free online searches can match your qualifications to additional scholarship opportunities.

5. **Make a plan for the shortfall.** Determine how much you still need. Then, decide whether loans are the best way to cover that amount, considering the repayment terms and your future earning potential.
6. **Borrow only what you need.** Remember that the more money you borrow, the more you'll need to repay, plus interest. You'll also likely need to borrow through additional years of college. If you can get by a little more cheaply now, it'll literally pay off later.
7. **Consider federal loans first.** Federally guaranteed loans generally offer better rates and conditions than private loans.
8. **Use private loans as a last resort.** If you are confident you can repay the loans, even if you fail to graduate or land your dream job, and you've exhausted other forms of aid, private loans are an option.
9. **Compare private loans carefully.** Private lenders offer different terms and conditions for education loans, making a side-by-side comparison difficult. Consider interest rates, fees and discounts (and how long introductory offers last), variable vs. fixed interest rates, payment deferment and reduction programs, and penalty clauses.
10. **Get help if you need it.** If you have trouble understanding your financial aid options, talk to the financial aid office at the college. You may also get free assistance through ICAN's College Planning Centers by calling (877) 272-4692 or visiting [www.ICANsucceed.org](http://www.ICANsucceed.org).

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### **About ICAN**

ICAN is the College Access Network for Iowa, as designated by the National College Access Network (NCAN). The ICAN College Planning Centers in West Des Moines and Cedar Rapids provide free information and support to students and their families as they plan their postsecondary education and apply for financial aid. Funding for ICAN is provided by Iowa Student Loan<sup>®</sup>. All ICAN services are free and none are dependent on a student borrowing from an Iowa Student Loan lender. For more information about ICAN, call (877) 272-4692 or visit [www.ICANsucceed.org](http://www.ICANsucceed.org).