Paying for Law School

Five Facts

• Law school is an important investment
• Funding is available
• Deadlines and procedures need to be followed
• Debt should be minimized to attend the law school you choose
• Funding law school requires preparation and planning

YOUR INVESTMENT
Make the most of your investment!

- Study hard
- Borrow the minimum

Your Investment

- How much will it cost?
- How much can you contribute?
- How can you minimize your borrowing?

Cost of Law School

Depends on:
- Cost of tuition/fees at school you attend
- Grant/scholarship funding you receive
- Living expenses
Average Cost of Law School
2011-2012

- Tuition and fees
  - $22,116 at Public Law School for Resident
  - $34,865 at Public Law School for Nonresident
  - $39,184 at Private Law School
- Living and Book Expenses
  - $20,481

Source: ABA Section on Legal Education and Admission to the Bar

Cost of Attendance (COA)
“Student Expense Budget”

- Calculated by Financial Aid Staff at Law School
- Includes both fixed educational costs and living expenses for academic year
- Total financial aid cannot exceed COA
- Not prescriptive

<table>
<thead>
<tr>
<th>COA Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
</tr>
<tr>
<td>Fees</td>
</tr>
<tr>
<td>Books and Supplies</td>
</tr>
<tr>
<td>Housing</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Clothing</td>
</tr>
<tr>
<td>Misc. Personal Expenses</td>
</tr>
</tbody>
</table>

What are your expenses?

It’s all about your choices!
### What will it cost you?

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$</td>
</tr>
<tr>
<td>- Scholarship/grant</td>
<td>$</td>
</tr>
<tr>
<td>= Net tuition/fees</td>
<td>$</td>
</tr>
<tr>
<td>+ Living expenses</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>$</td>
</tr>
</tbody>
</table>

### How much can you contribute?

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td>$</td>
</tr>
<tr>
<td>Money from family</td>
<td>$</td>
</tr>
<tr>
<td>In-school earnings</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$</td>
</tr>
</tbody>
</table>

### Will you need to borrow loans?

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total resources</td>
<td>$</td>
</tr>
<tr>
<td>- Total cost</td>
<td>$</td>
</tr>
<tr>
<td>= BALANCE</td>
<td>$</td>
</tr>
</tbody>
</table>

If you have a negative balance (DEFICIT), you’ll likely need to borrow student loans to fund the deficit.
FUNDING IS AVAILABLE

Funding is available!
As a law student:
• Financial aid is available so you can attend the school of your choice
• Federal financial aid can cover school’s full “Cost of Attendance”
• Eligibility for federal financial aid depends on your financial circumstances, not that of your parents

Funding Sources
• Scholarships and grants
• Federal Work Study
• Loans
Scholarships and Grants

- Sources:
  - Law school
  - Private organizations/associations
- What you need to know:
  - Application process and deadlines
  - Eligibility requirements
  - Renewal requirements

Federal Work Study (FWS)

- Source:
  - U.S. Department of Education
- What you need to know:
  - Funds provided for part-time employment
  - Funds are limited; may not be available at your law school
  - Can still work part-time if not awarded FWS

Loans

- Sources:
  - U.S. Department of Education
  - Private lenders
  - School you attend
  - Family and friends
- What you need to know:
  - Federal loans are the most flexible
  - Use federal loans first
  - Borrow minimum amount possible to attend the law school you choose
Federal Loans

- Federal Direct Loan Program
  - Direct Student Loan (Stafford)
  - Direct PLUS Loan (Grad PLUS)
- Federal Perkins Loan Program

Federal Loan Comparison
Direct Student vs. Grad PLUS

<table>
<thead>
<tr>
<th>TERMS</th>
<th>DIRECT STUDENT LOAN</th>
<th>GRAD PLUS LOAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate</td>
<td>6.8%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Fees</td>
<td>1.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Annual loan limit</td>
<td>$20,500</td>
<td>COA minus all other financial aid</td>
</tr>
<tr>
<td>Aggregate limit</td>
<td>$138,500</td>
<td>None</td>
</tr>
<tr>
<td>Credit criteria</td>
<td>None</td>
<td>Cannot have adverse credit</td>
</tr>
</tbody>
</table>

NOTE: These loans are unsubsidized and that means interest begins accruing when the funds are disbursed.

Federal Grad PLUS Loan
Adverse Credit History Criteria

- Currently 90 days or more delinquent on repayment of any debt (including unpaid collection accounts and charge-offs)
- Debt has been discharged in bankruptcy during the past 5 years
- Evidence of a default, foreclosure, tax lien, repossession, wage garnishment, collection account or write-off of a Title IV debt during the past 5 years

You may apply for a Grad PLUS Loan with an "Endorser" if you have adverse credit.
Steps in Applying for Financial Aid

1. Identify all financial aid application requirements and deadlines for each school you want to attend
2. Collect financial documents needed to apply for financial aid
3. Complete and submit “Free Application for Federal Student Aid” (FAFSA) at: www.FAFSA.gov
4. Review your “Student Aid Report” (SAR); submit corrections/updates as needed

Additional Steps in Applying for Financial Aid

5. Provide any additional information requested by the school
6. Review financial aid award letter
7. Apply for loan funding, as needed
8. Apply for privately-funded scholarships/grants
The FAFSA must be submitted each year you need federal student aid.

Meet All Deadlines!

FAFSA.gov

MINIMIZING DEBT
When borrowing loans …

… you are spending your
FUTURE INCOME!

Deciding How Much to Borrow

• Amount you’re eligible to borrow is not prescriptive!
• Determine your in-school budget
  • Estimate total cost
  • Estimate amount you can contribute
• Borrow only what is needed to cover the difference

To borrow the minimum …

• “BYOB” – Build Your Own Budget
• “SOS” – Save on Spending
• Think “FREE” when it comes to having fun
“Building Your Own Budget”

<table>
<thead>
<tr>
<th>Expense</th>
<th>“Cost of Attendance”</th>
<th>Your Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Books and supplies</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Housing (rent, mortgage)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Utilities (electricity, phone, etc.)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Food (groceries, eating out, etc.)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Clothing (purchases, cleaning, etc.)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Personal care (hairstyle, cosmetics, etc.)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

How can you “Save On Spending?”

IN SUMMARY ...
Remember:

- Law school is an important investment
- Funding is available
- Follow all deadlines and procedures
- Minimize your debt to attend the law school you choose
- Start preparing now—get your financial house in order
- Don’t hesitate to ask questions

Prepare financially for law school!

- Assess what resources you’ll have available to pay for law school
- Start “living like a student” now
- Save as much as possible
- Have funds to pay for expenses you’ll incur before you arrive on campus
- Pay off consumer debts
- Review your credit report; repair any problems
  Get a free copy of your credit report at AnnualCreditReport.com
- Get your financial records organized

Some Questions You Should Ask Each Law School

- Are forms other than the FAFSA needed?
- What are the deadlines?
- Do you consider parental financial information?
- What kinds of scholarships are available?
- How is eligibility for scholarships determined?
- What is the average loan debt for your grads?
- What is the job placement rate and salary ranges for your graduates?
For more information …

- Law school admission and financial aid staff
- LSAC.org
- U.S. Department of Education
  - StudentAid.gov
  - FAFSA.gov
  - National Student Loan Data System (NSLDS.ed.gov)
  - StudentAid.ed.gov/publicservice
- FastWeb.com
- FinAid.org
- AnnualCreditReport.com

Paying for law school starts today!