

HIFE CPP REQUIREMENTS:

- ◆ Must have a minimum GPA of 2.5
- ◆ Must seek to attend an accredited institution
- ◆ Must be willing to complete the assigned homework provided by the HIFE Coach

Inside this issue:

Message From The Dean	1
Kids & Money	1
Kids & Money	2
7 Ways to Prepare for Student Loan	2
7 Ways to Prepare for Student Loan	3
HIFE College	4
Coach's Corner	4

## Message From The Dean - Bob Fulcomer

With all of the emerging technology and ease of access to information on the internet, it is much easier for less than reputable companies to scam people. Parents, who only want their children to receive the best possible education, are willing to do almost anything it takes to make this a reality. This opens the door to companies and individuals to promise all kinds of assistance, from guaranteeing to have the student accepted

to a specific school or even guaranteeing to get financial aid. These promises are most often inaccurate at best. For example, admission to any college or university is based on the merit of the student, not on a 3rd party "pulling the right strings". If a school has certain admission requirements, then it would be virtually impossible to guarantee admission for a student who does not meet those requirements. In

addition, the fees they charge for their services range from several hundred to tens of thousands of dollars. Any family who is looking to engage any company or individual for assistance should verify that the company is legitimate and they should focus on planning, not on promises and guarantees of which they, in reality, have zero control.

## Kids & Money

**Regulators have their eye on online scams promising student loan debt relief.**

The Consumer Financial Protection Bureau has delivered a strong message to Internet scammers: Don't mess with student loan debtors.

Those borrowers are a tempting target, given that there are about 40 million of them who collectively owe more than \$1.2 trillion. That total includes more than 8 million who are in default on federal or private student loans.

Just the potential for problems recently caught the eye of the federal consumer watchdog organization.

In a June 22 letter to Google and other major Internet search engines, the consumer bureau expressed concern that "unscrupulous companies may be using aggressive advertising" through sophisticated Web search tools to lure borrowers seeking repayment help.

Search engines generally have policies to protect consumers against misrepresentations in advertisements. But the bu-



reau asked Google and the other companies to work with federal and state regulators to ensure search products are not being used by debt relief businesses to gouge or defraud borrowers by "implying an affiliation" with the U.S. Department of Education.



**cfpb**

Consumer Financial  
Protection Bureau

## Kids & Money (cont.)

“By more closely monitoring advertising on key search terms and helping to drive traffic toward unbiased sources of information, your users will gain greater value from your search products and scammers will be less likely to flourish,” the consumer watchdog said in its letter.

According to an analysis of Google trend data, the consumer regulator said, struggling borrowers are searching online for help using keywords such as “student loan default,” “student loan forgiveness” and “Obama student loan relief.”

To regulators, this resembles the mortgage foreclosure crisis during the recession. That’s when some borrowers were given conflicting information about their repayment options “and found scammers who made false promises on loan modification in exchange for steep upfront fees,” the consumer bureau said.

But the search engine

companies joined with federal regulators in 2011 to stop scammers from targeting troubled homeowners.

The consumer protection bureau said there has been an increase in recent years in the number of companies and Internet services requiring large upfront fees to help distressed borrowers enroll in a student loan repayment plan.

Keep in mind, however, that the Department of Education provides numerous options to make repayment of college debts more affordable and manageable — and they’re free. Some of the most popular programs include provisions that let borrowers set their monthly payment based on their income.

Even before the consumer protection bureau issued this latest warning, federal and state regulators had been cracking down on student loan fraud artists. Most recently, state regulators in Illinois sued Broadsword Student Advantage, the

operator of GetForgiven.org, to block the firm from preying on student loan debtholders.

You can steer clear of student loan debt scams by watching for these warning signs: pressure to pay high up-front fees, promises of immediate loan forgiveness or debt cancellation, and requests for your federal student aid number.

If in doubt, call the Consumer Financial Protection Bureau at [855-411-2372](tel:855-411-2372) or go to [www.consumerfinance.gov](http://www.consumerfinance.gov).

Source: Steve Rosen Kansas City Star

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## 7 Ways to Prepare for Student Loan Repayment

Recent grads have a six-month grace period, but that doesn't mean it's time to forget about debt.

When a student graduates from college, it marks a major accomplishment—the culmination of semesters' worth of reading, writing, studying, and test-taking. But the preparation and leg-work isn't over—for student loan borrowers, leaving school also starts the countdown to repayment.

For six months after graduation (or after leaving school or dropping below a half-time credit load), federal Stafford loan holders enter a grace period in which they don't have to make student loan repayments. (For the federal Perkins loan, it's a nine-month period.) But that doesn't

## 7 Ways to Prepare for Student Loan Repayment (cont.)

mean it's a half-year vacation from thinking about your student loan burden, experts caution.

"It's easy for people to want to forget about the fact that they might have some debt looming over them, but they need to plan and attack it head on," says Erin Wolfe, associate director of financial aid at Susquehanna University in Pennsylvania.

Instead, think of your grace period as a crucial building block to a solid financial future, recommends Joe Wilson, a wealth management adviser at TIAA-CREF. "The six-month grace period is a very important time for building good habits," he says. "It really charts the course for what they may face long-term."



Here are seven steps to take during your grace period to set yourself up for repayment success.

### 1. Track down your loans:

Because student loans are usually taken out on an annual basis, you might have a variety of individual loans—which might even be from several different financial entities. If you have federal loans, start at the National Student Loan Data System to find your loan amounts, recommends Kevin Michaelsen, director of financial assistance at Meredith College.

### 2. Communicate with your loan servicer:

Though you won't owe them anything for a few more months, begin the dialogue with your loan servicer now. Update your contact information so you're sure to receive your bills, and ask about any aspects of your loans that confuse you.

### 3. Start a budget:

"Understanding what the student's overall budget is would be the most important part of the grace period," Susquehanna's Wolfe says. Map out any money coming in and going out, which could include a salary, rent, car payments, food, recreation costs, and more. Don't forget to factor in an estimate of your student loan payment.

### 4. Explore repayment options:

The standard repayment for a student loan is 10 years, but that's not your only option when it comes to managing your debt.

Many borrowers don't realize that they can extend their loan repayments and may even be eligible for federal loan programs that help to relieve some of their burden, says Kevin Fudge, an adviser at American Student Assistance. "It cuts across demographics—the lack of knowledge of their options is universal."

### 5. Make interest payments:

If you have an unsubsidized loan, interest will accrue throughout your grace period. Though you're not required to pay it off until you enter repayment, it's a good idea to do so if you're financially able. Accrued interest will be capitalized at the end of your grace period and added to the principal of the loan, increasing your debt.

### 6. Seek out your financial aid officers:

You may have graduated, but it's likely your financial aid office will be open to you reaching back with questions through your grace period and into your repayment term.

"I have had graduates who call me three years later and ask questions," Susquehanna's Wolfe says. "The financial aid office is always open to our students, our families, our alumni, friends of the university, anyone."

### 7. Relax:

What's one important piece of advice student loan adviser

Fudge tells the graduates he counsels?

"Not to panic," he says. It can be an anxious six months before your payments come due, Fudge acknowledges, but utilizing resources and visualizing long-term can ease some of the initial stress.

"Just the fact that you can begin thinking down the road helps you get into the mentality that, 'This a process; I'll see it through,' " Fudge notes.

Source: Katy Hopkins  
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*"Providing Families With College Planning Solutions"*

## HIFE College Planning Program

### Who We Are:

**The Heartland Institute of Financial Education** is a national 501(c)(3) non-profit organization whose mission is to promote financial literacy across America. Our mission begins with our **HIFE College Planning Program**.

It is the goal of the Heartland Institute of Financial Education to help young Americans obtain a college education.

### What We Provide:

The Heartland Institute of Financial Education will assign each student/family a "College Planning Coach" who works directly with the student and parents, assisting them with the college planning, funding and admissions process. Our program helps in 3 specific areas of education/college assistance:

1. We help with assessing a student's aptitudes and interests to determine a career path.

2. We work with the planning, selection and application process for college.

3. We search for grants and scholarships that are available for the students to apply for based on their qualification.

### HIFE College Planning Coach:

Our Coaches work directly with students and parents to establish a custom action-plan to help navigate their collegiate path and beyond. We help the student develop a personal "resume" that will aid them in competing for valuable student loans, awards, grants and other forms of assistance that can help offset their college education costs. We conduct extensive research using proprietary resources to find the best college solutions and financial opportunities for each student.

Our Coaches average over **20 years of experience** in the

College Planning arena including teaching and admissions. Each coach will guide you from the admissions, to the financial aid, to the college selection, to the award acceptance & appeals process all the way until you successfully complete your college degree. HIFE College Planning Coaches work with students from their freshmen year in high school all the way through their senior year and beyond. We have developed a unique Coaching program that helps students step-by-step in successfully planning for college.

Contact your local HIFE CPP Consultant to learn more about our program or simply visit us on our website:  
[www.hife-usa.org](http://www.hife-usa.org)

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## Coach's Corner

September is "back to school" month and that means that it is once again time for students to buckle down and focus on their academics. Every year of high school and college go toward building the GPA and resume. One year of allowing grades to drop

can take its toll and affect students' chances of getting into their dream college or that dream job. That said, they should manage their time and balance their academics and extracurricular activities to both challenge themselves and give

themselves time to have some fun. Setting aside some time to be with family and friends is just as important as carving out study and research time.