

**Education Loan Program for Students & Parents**

# College Foundation, Inc.

College Foundation, Inc. (CFI) has been serving North Carolina students and families for over 60 years as our state-based nonprofit higher education lender.

CFI is mission-based, providing services to North Carolinians that will empower them to achieve their academic goals.



**CFI** 

College Foundation, Inc.

Your NC Non-Profit Lender



# College Foundation, Inc.

CFI administers a large portfolio of education loans, several state and private grant and scholarship programs for students attending North Carolina institutions, and the NC529 college savings plan on behalf of NCSEAA.



*College Foundation, Inc.*

Your NC Non-Profit Lender



# CFI Loan Experience – 65 Years!

CFI has been the primary loan servicer for North Carolina student loans since 1955.

As a result, we've helped support North Carolina students and families with:

- Lower than average student loan balances
- Lower than average default rates



*College Foundation, Inc.*

Your NC Non-Profit Lender



# CFI Loan Experience – 65 Years

CFI has consistently had one of **the lowest student loan default rates in the country.**



*College Foundation, Inc.*

Your NC Non-Profit Lender



# CFI Loan Experience – Counseling is Key

We have a robust call center, both inbound and outbound, to assist borrowers with their loans and stay on track.

Our call center counsels ALL North Carolina students and families about student loans – including loans through the Department of Education.

You do not need to be an NC Assist borrower to call us for guidance on how to manage your student loans.



*College Foundation, Inc.*

Your NC Non-Profit Lender



# CFI Loan Experience – 65 Years!

We also prioritize financial literacy, educating students as they research student loans, so they do not over-borrow.



*College Foundation, Inc.*

Your NC Non-Profit Lender



# College Foundation, Inc.

CFI helps families avoid over-borrowing with our financial literacy tools:

- Financial Basics (free, for high school students)
  - [CFNC.org/Financial Basics](http://CFNC.org/FinancialBasics)
  - Now available in Spanish!
- EX\$EL: Financial Education for the Real World (nominal charge, for adults)



*College Foundation, Inc.*

Your NC Non-Profit Lender



# Financial Basics Course

CFNC.org

STUDENT LOG IN

TEACHER LOG IN

Welcome to Financial Basics for High School and Beyond  
Sign in or register.

Enter classroom code (optional)

Or register without a code

CONTINUE REGISTRATION >

## Why Financial Basics?

Free to any student in North Carolina, Financial Basics explores key money management topics you can use right now. High school students receive a series of short courses that are mapped to NC financial literacy standards. College students receive a single comprehensive course. All eligible students are entered to win one of our annual financial literacy scholarships.

Financial Basics can be used in conjunction with teacher-led curricula, as part of a college orientation program, or as an independent study resource. Classroom-based **teacher tools** make it easy for teachers to assign financial education lessons and to track student progress. **College tools** give administrators the ability to track participation across an entire campus.



*How to get started.*



College Foundation, Inc.

Your NC Non-Profit Lender



# College Foundation, Inc. – 9 Reps

CFI employs seven Regional Representatives across North Carolina, as well as two State Representatives for Spanish Services.

**Longevity**: The average length in this role is 13 years.

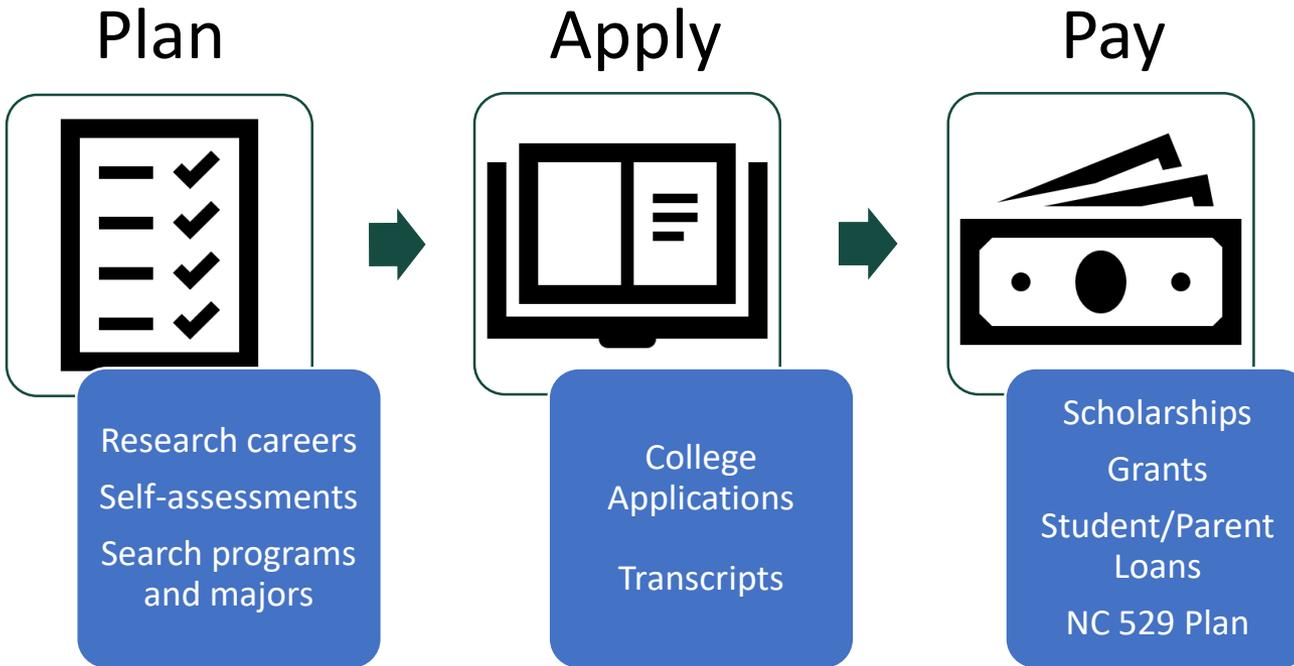
**Support**: Reps are available to help you days, nights and weekends in your branches on any of our topics, as well as in your communities.

**Knowledge**: Reps are experts in college planning and admissions, career exploration, financial aid, and financial literacy.

**Resources**: Reps are seen as community resources, and currently work with K-12 schools, colleges, community organizations, and credit unions.



# CFI Regional Representatives



# State-funded NC Assist Loan Program

CFI is proud to help students in North Carolina by providing this alternative education loan called NC Assist.

- This loan bridges the gap between cost of attendance and other financial aid.
- NC Assist is available to North Carolina residents and students who reside outside of North Carolina but are attending an eligible non-profit Title IV institution in North Carolina. (“NC Connection”)



# NC *Student Assist* Loan

- No application, origination, or prepayment fees, ever.
  - 5.50% interest rate with a 0.25% rate reduction for auto-draft payments.
  - Borrowing limits:
    - Minimum: \$1,000
    - Maximum: \$120,000 for undergraduate students, \$200,000 for graduate students
- \*You may borrow up to your school's cost of attendance minus other financial aid
- No prepayment penalty



# NC *Student Assist* Loan

Student borrower requirements:

- Be at least 17
- Be enrolled at least halftime in a degree-seeking program
- NC resident or attending an NC school
- Credit-worthy or have co-signer
- U.S. citizen or eligible non-citizen



# Co-signer Requirements

Students with little or no credit will be required to obtain a qualified co-signer for the application process.

Requirements:

- Be at least 21 years age
- Be a spouse or relative of the student
- Be a U.S. citizen
- Be credit-worthy and have the required credit score



# NC *Parent Assist* Loan

- No application, origination, or prepayment fees, ever.
  - 5% interest rate with a 0.25% rate reduction for auto-draft payments.
  - Borrowing limits:
    - Minimum: \$1,000
    - Maximum: \$120,000
- \*You may borrow up to your school's cost of attendance minus other financial aid
- No prepayment penalty



# NC *Parent Assist* Loan

Parent borrower requirements:

- Be the biological, adoptive parent, or step-parent of an eligible benefiting student
- Be a U.S. citizen or eligible non-citizen
- Be a NC resident or have a benefiting student attending an eligible NC school
- Be credit-worthy and have the required credit score
- Be in good standing on any other CFI loan(s)



# NC Assist Loan: Compare Interest Rates

See how the interest rates compare to federal loans!



NCAssist.org				Federal Direct Loans U.S. Department of Education		
Borrower	Loan Type	Rate	Loan Fee	Loan Type	Rate	Loan Fee
Parent	NC Parent Assist	5.25%	\$0	Direct PLUS	7.08%	4.236%
Undergraduate Student	NC Student Assist	5.75%	\$0	Direct Subsidized and Unsubsidized	4.53%	1.059%
Graduate or Professional Student	NC Student Assist	5.75%	\$0	Direct Unsubsidized	6.08%	1.059%
Graduate or Professional Student with Additional Need	NC Student Assist	5.75%	\$0	Direct PLUS	7.08%	4.236%



# Partnering with Credit Unions

- Not going to a competing bank
- Helping to make them aware of a state sponsored resource
- Supporting your member families
- North Carolina ranked 13<sup>th</sup> in the country for lowest student debt in 2018.
- Students borrowed *less* in 2018 than in 2017
- CFI is helping to make the lower debt possible, as we education students on financial literacy



# Partnering with Credit Unions

CFI is currently partnering with North Carolina credit unions to offer NC Assist to parents and students in your communities and at your branches.

- Co-branded landing page
- Brochures
- Training
- Representative support

Please let us know if you are interested in more information!



# Co-Branded Landing Page

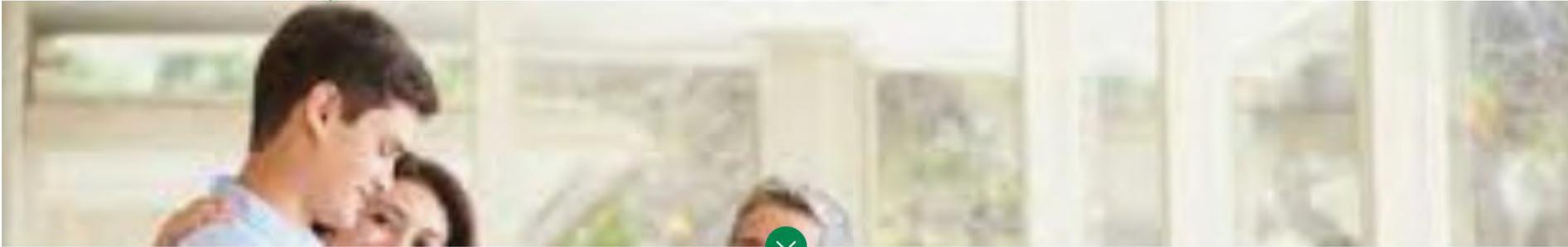


in  
partnership  
with



[Apply Now](#)  
▼

[Resources](#)  
▼



## NC Student Assist Loan and NC Parent Assist Loan



### NC Student Assist Loan

Invest in your future.

more words here

[Learn More >](#)



# NC Assist Resources

## NC Assist Student and Parent Loan Estimators



### Estimate Monthly Loan Payments

If you're thinking about borrowing to pay for college, this calculator can provide you an estimate of what your monthly payments could be based on figures you input below.

Many students choose to borrow each year to help cover tuition and other expenses. If you are borrowing for a one-time expense, select the "one-time" option below. For the most accurate calculation, change "years in school" to match your *remaining* years in school.

**Loan Amount**   
The loan amount cannot exceed the cost of attendance less other financial aid as determined by the school.

**Interest Rate**   %

**I will borrow the loan amount above...**  Every Year  One Time

**Years in School**  Years

**Repayment Option\***

**Pay Over**  Years  
The standard repayment term is 10 years.



# NC Assist Resources

## Smart Borrower Calculator

### Maximum Student Loans

Smart Borrower Calculator

Most students need to borrow to afford higher education, but the amount you can comfortably repay may depend on your career choice and salary. While it isn't possible for all students, a common rule of thumb is to limit higher education borrowing to no more than your first-year's salary.

#### Desired Career

To estimate the maximum most experts would suggest you borrow, select your anticipated state of residence, field of study, and job title.

*Note that some careers require an advanced degree.*

State

North Carolina

Field

Select Field



# NC Assist Resources

## Smart Borrower Calculator

### Desired Career

To estimate the maximum most experts would suggest you borrow, select your anticipated state of residence, field of study, and job title.

*Note that some careers require an advanced degree.*

State	<input type="text" value="North Carolina"/>
Field	<input type="text" value="Business and Financial Operations Occupations"/>
Occupation	<input type="text" value="Credit Analysts"/>

### Credit Analysts

**Recommended Maximum Loans: \$41,652 - \$46,280**

Most experts suggest borrowing *no more* than your first year's starting salary. To be conservative, consider limiting your loans to 90% of your estimated first-year salary of \$46,280\*.

### About Your Career Choice

In North Carolina, the median salary for this career is \$74,050, meaning an equal number of credit analysts earn more and an equal number earn less. There are approximately 2560 individuals employed as credit analysts in North Carolina.

*\* Starting salaries are estimated using figures from the US Department of Labor. Your actual salary could be higher or lower.*



# NC Assist Loan: Use Free Money First

We encourage students to use free money first, both on our website [ncassist.org](http://ncassist.org) and through our Representatives.

We provide information on:

- FAFSA
- Residency Determination Service
- Scholarships
- Forgivable Education Loans for Service (FELS)
- Federal education loans



# NC Assist Loan: Blogs

We offer blogs on our website to provide current and vital information to borrowers and families across North Carolina. Here are a sampling of topics:

- Five Things You Need to Know About Student Loan Deferment and Forbearance
- Ten Ways to Make Money in College
- Federal and Private Loans Provide Options to Get Over the Financial Hump
- NC Assist Can Help Bridge the Gap Between Financial Aid and College



# NC Assist Loan: Definitions

Understanding loan terms can be confusing. This is why we offer a comprehensive list of definitions on our website.

## A

### **Academic Year**

Customary annual period of instruction as defined by your school (may be up to 12 months).

### **Accrued Interest**

Amount of interest that accumulates on the unpaid principal balance of a loan at a point in time.

### **Aggregate Loan Limit**

The maximum cumulative amount you can borrow under an NC Assist Loan Program.

### **Alternative Loan**

A loan offered by a bank or other lender to pay the costs of post-secondary education and also referred to as a Private Loan.

### **Annual Loan Limit**

The maximum amount you can borrow under an NC Student Assist Loan or an NC Parent Assist Loan during one academic year.

### **Application**

To apply for an NC Assist Loan, you must complete an application, available on-line at [NCAssist.org](http://NCAssist.org).

## APR

Annual Percentage Rate. Annual rate charged for borrowing and is expressed as a percentage that represents the actual yearly cost of funds on a number that can be easily compared to rates charged by other lenders.

### **Automatic Draft (auto-draft)**

A service that allows you to automatically make recurring monthly payments on your loan(s) directly from your bank or financial institution.

## B

### **Benefiting Student**

The student who benefits from an NC Parent Assist Loan.

### **Borrower**

A person who receives a loan.

### **Borrowing Limits**

You may borrow up to your school's cost of attendance minus other financial aid you receive. The aggregate loan limit for the NC Student Assist Loan Program is \$10,000. The minimum amount is \$1,000.

### **Budgeting**



# Other Vital Information

In addition to NC Assist and the work we have discussed so far by CFI, we also education families in NC on the importance of education, how financial aid works, student debt, and how to save for college.

The next part of the presentation will venture into these topics.



# Importance of Education

CFNC partnered with College Board several years ago to review exactly why college pays. Here is a quick summary of our findings:

- Obtaining some type of postsecondary education is necessary for most jobs. In addition to the education and job prospects, there are other positive outcomes to attending college:
  - Greater wealth
  - More security
  - Better health
  - Closer family
  - Strong community



# Five Ways College Pays

1. Greater wealth – more income in hourly wages, per year, and over a lifetime
2. More security – less likely to be unemployed and more likely to receive employer-provided health insurance
3. Better health – much less likely to be obese and much more likely to engage in vigorous exercise
4. Closer family – much more likely to read to their children every day and create the foundation for a closer family
5. Stronger community – more likely to vote and to volunteer, creating more cooperation and collaboration

College is where you can shape your views and find your voice.



# Importance of Education

College Board conducted more research in 2019, and much of the results were the same.

- Higher levels of education equates to more pay and more likely to be employed.
- A college degree is associated with a healthier lifestyle, potentially reducing health care costs. Adults are also more active citizens and are more involved in their children's activities.
- College education increases the chance that adults will move up the socioeconomic ladder and reduces the chance they will rely on public assistance.



# Student Loan Debt

For many of us, student loans are necessary to get a degree. The benefits of education are clear and it is important that we help students find ways to pay, starting with free money first.

It is vital that students understand the different types of aid available and work towards gift aid before self-help. This is why our Representatives are so important to our schools and communities, as they support school counselors in this effort.



# Student Loan Debt

Loans are there to bridge the gap between other aid and make education a reality. This is why CFI is so proud to offer NC Assist as a non-profit who is mission based. Our goal is not to make money, but to help students fund the final pieces of their education in an affordable manner.

We are also proud of our financial literacy tools. It is important to both offer necessary alternative education loans, but also education families on borrowing and repayment.



# Understanding Financial Aid Basics

We've mentioned that students and parents can borrow up to the school's cost of attendance, minus other aid, but what does that mean?

Cost of attendance: total amount it will cost you to go to college for one year at that particular school. This includes direct and indirect costs.

Direct = tuition, fees, room and board, meals

Indirect = books and supplies, transportation, personal and miscellaneous, loan fees (if applicable)



# Understanding Financial Aid Basics

Other aid includes gift aid and self help, as well as merit-based and need-based aid.

Gift aid = grants and scholarships

Self help = employment and loans

Merit-based = academic, music, athletic, etc.

Need-based = grants and need-based federal loans



# Understanding Financial Aid Basics

Who is eligible for need-based aid?

Basic principle of financial aid:

Cost of Attendance (COA) at institution

- Expected Family Contribution (EFC)

Eligibility for need-based aid



# Understanding Financial Aid Basics

- The EFC is calculated by completing the FAFSA form senior year of high school. It is a measure of the family's financial strength and is calculated according to a formula established by law.
- EFC does not change, no matter which school the student attends.
- Colleges use the EFC to determine your federal student aid eligibility and financial aid award.
- The EFC is *not* the amount of money the family will pay for college, nor is it the amount of aid the family will receive. It is a number used by your school to calculate the amount of federal student aid the student is eligible to receive.



# Understanding Financial Aid Basics

Summing this up...

Families can borrow as much as they need, up to the cost of attendance at a college (which varies), minus other aid they will receive. That aid varies, based on eligibility and what they've actually applied for.



# NC 529 Education Savings Plan

Invest in tax-advantaged plan to prepare for:

- College Expenses
  - Tuition
  - Room & Board
  - Books
  - Equipment
  - Etc.
- K-12 Tuition
- Student Loan Payments (NEW!)



# NC 529 Education Savings Plan

Accessible

Affordable

Tax-free earnings on contributions

Flexible

Comprehensive



[NC529.org](https://www.nc529.org)



# NC 529 Education Savings Plan

CFI thanks SECU for their support of the NC 529 program, through their investment option and assistance in their branches.

SECU assists their communities by offering to help people set up their NC 529 accounts in their branches, as well as by supporting College Application Week.

You can too!



[NC529.org](https://www.nc529.org)



# Conclusion and Questions

Thank you for attending! We hope that you've learned about CFI, NC Assist, and our goals for educating North Carolina.

Please let us know if you would like more information about NC Assist, as well as other services like NC 529.

Enjoy the conference!



# CFI in Attendance at LAUNCH

## **Dr. April Query**

Regional & Community Services  
Manager

919-835-2399

[April.Query@cfi.org](mailto:April.Query@cfi.org)

## **Laura Morgan**

Vice President of Communications,  
Savings & Legal Affairs

919-835-2322

[Laura.Morgan@cfi.org](mailto:Laura.Morgan@cfi.org)

## **Timeka Ruffin**

Regional Representative – 704 Area

919-835-2393

[Timeka.Ruffin@cfi.org](mailto:Timeka.Ruffin@cfi.org)



# Connect With Us



NC Assist Loan



@NCAssistLoans



NC Assist Loan



@ncassistloan



# Questions and More Information

Phone: 866-866-CFNC  
(2362)

Email: [ncassist@cfi.org](mailto:ncassist@cfi.org)

Mail:

CFI

PO Box 41966

Raleigh, NC 27629

