

# Be an Informed Consumer ...

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## ... when it comes to federal student aid

### Enrollment contracts

Read any school enrollment contract carefully before you sign it. The contract explains what the school will give you for your money. If a representative of the school promises you things (such as help finding a job) that are not in the contract, ask that the promise be written into the contract and that it be signed and dated. A promise is usually not enforceable unless it is in writing.

### Tuition and fees

If you're enrolling in a **community college** or **four-year college**, you will probably get a tuition and fee bill before each term (semester or quarter) begins; a portion of your federal student aid will be paid each term. If you're enrolling at a **career school**, you usually will be charged tuition and fees for the entire educational program at the beginning. However, your federal student aid will usually be divided into at least two payments each year. Most schools use your financial aid to pay your tuition and fees. If there's any left over, the school must give it to you to help pay your living expenses.

### Loans

Even if you qualify for a full Federal Pell Grant (free aid), your cost of attendance might not be entirely covered. If other grant aid and work-study aren't available, check with your school about the types of loans you can get. Before you borrow, think about how you will afford to pay the money back. Either the school or your loan servicer must give you a repayment schedule that explains how much your loan payments will be and when you have to start making the payments.

**Remember that you must pay back a loan, even if you drop out of school or don't find a job after you graduate. If you don't repay your loan, your credit record will be affected, and you might not be able to buy a car or a house, get credit cards, or get certain types of jobs.**

### Refund policy

It's important to find out whether you can get a refund from the school if you drop out before you get your degree or certificate. Every school that uses federal student aid must give you a copy of its refund policy if you request it. If you received financial aid and you withdraw, some or all of the financial aid might have to be returned (by you or the school) to the source of the aid. Be sure to let the school know exactly when you plan to withdraw—doing so might reduce your debt.

