Frequently Asked Questions
Helping Adults Pay for an NJIT Education

Introduction
Adults have sources of funding besides their own wallets to pay for college. These sources are primarily in the form of loans, tax credits, and/or scholarships. Some grants also may be available, depending on the program/degree you are seeking. NJIT has compiled information to help you know what might be available to help you re-start or continue with your higher education. You can also find this information on the NJIT website, http://adultlearner.njit.edu/costs/.

NJIT has an impressive track record in successfully placing our graduates in professional positions and in providing a wide variety of career services. (See http://www.njit.edu/cds/docs/cds_annual_report_10.pdf for the most recent data about the job placement success of the NJIT Office of Career Development Services.) For many, data of this sort helps to allay the legitimate concerns of adult students about whether these obligations can be repaid in years to come. "...While career colleges play a vital role in training our work force to be globally competitive, some of them are saddling students with debt they cannot afford in exchange for degrees and certificates they cannot use," said Secretary of Education Arne Duncan in a written statement in the July 23, 2010 Chronicle of Higher Education. However, NJIT students and alumni have an edge as they receive ongoing (and free) career advisement, referral services, experimental learning opportunities, resume and interview guidance, job search assistance and twice per year Career Fairs with hundreds of employers specifically seeking NJIT graduates. NJIT Career Development Office posted 7,000 jobs in 2009-2010 for NJIT students and alumni and NJIT degrees holders are respected and sought by employers who know that NJIT educates people in employable positions based on industry demand. The updated Career Development Guide is available at http://www.njit.edu/cds/docs/NJITRecruitingManual.pdf

The federal government makes affordable loans available to students and in recent years there has been growth in federal student loan assistance. The first step always is to seek “financial assistance” from the federal government by filling out a free financial aid form - Free Application for Federal Student Aid (FAFSA). But there are other sources, too. U.S. income tax filers, active military personnel and veterans, and unemployed people have more options, each of which is part of this FAQ document. However, above all else, the federal government is the first stop. There is no cost to fill out and submit the FAFSA form and you will get a quick reply. Funding from the federal government may be in the form of grants which you never have to repay, loans which you do have to repay, and hourly wages, known as “college work-study” where you get paid to provide service in NJIT offices. If you have prior student loans, you may still qualify for additional loans and you may request the deferment of prior loans while you are at least a part-time student (again). Deferment of prior federal student loans is also available due to other factors such as economic hardship or working in certain

NJIT hopes that by pointing out, in particular, U.S Income Tax options to help cover your tuition costs, not only won't these options be a surprise (however pleasant) to adults at April tax time, but that they can help strengthen your resolve now to return or continue your education.

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Once the NJIT Office of Student Financial Aid Services (www.njit.edu/financialaid/) is notified by the federal government of the amount of your FAFSA award, NJIT may be able to provide even more support from scholarships, fellowships and assistantships. All students (full and part-time) may apply for financial assistance.

However, an important additional source to help adults pay for their education comes from the U.S. tax code. Many adult learners don’t realize they could also qualify for U.S. income tax credits depending on income. Of special significance to tax filers, there are the Lifetime Learning (www.irs.gov) tax credit and the American Opportunity tax credit or Hope College Credit (www.irs.gov).

Q. What is FAFSA?
A. The Free Application for Federal Student Aid (FAFSA) form is used by the federal government to calculate what you are able to pay for college, based on assets and income. This calculation is known as the “expected family contribution” (EFC). The EFC is subtracted from the NJIT’s “cost of attending” (COA), and the remainder is a figure which represents the total of your “financial need” to attend NJIT. Once NJIT learns your specific “financial need” amount, the University’s Office of Student Financial Aid Services (www.njit.edu/financialaid/) goes to work on your behalf and comes up with the best possible mix of assistance including the federal grants which you never have to repay, federal loans which you do have to repay, and hourly wages, known as “college work-study” where you get paid to provide service in NJIT offices. Even more options may be available such as scholarships, fellowships and assistantships. All students (full and part-time) are eligible.

Q. Can GRADUATE STUDENTS get financial support from FAFSA?
A. Overall, at the graduate level of study, there are fewer FAFSA-related grant options (which you never need to repay) but there are loan options. Student Loans offered by the federal government are the cheapest and easiest educational loans to attain and they offer advantages such as no payments during school and public service forgiveness. In addition, higher loan amounts are offered at the graduate level than offered at the undergraduate level primarily because the tuition for graduate education typically is higher than the tuition to study at the undergraduate level. Moreover, there are some differences depending on whether graduate study is pursued as a full-time, matriculated (or degree-seeking) student versus as a part-time and/or non-degree or non-matriculated student.

At NJIT, Graduate Certificate students are admitted to the university as non-matriculants (or non-degree) students, and most study part-time. Because of this, many Graduate Certificate students don’t realize that they, too, can qualify for FAFSA loans.

Whether you study full-time or and part-time in either a Degree or a Graduate Certificate, you are eligible to apply for federally-funded financial aid via the Free Application for Student Aid (FAFSA) form.

Q. What are the best graduate student loans?
A. Loans offered by the federal government are the best because they are cheapest and less paperwork. Just fill out the FAFSA and the US Department of Education will work directly with the college financial aid officer. Students will then be offered choices of the four (4) federal student loans available to graduate students and the money will be awarded and funneled from the federal government directly to your college student account. The four federal student loans available to graduate students are:

- Perkins Loan: A Perkins loan is the cheapest federally-backed educational loan for graduate students. To qualify students must meet low income guidelines. Graduate students who qualify can get up to $8,000 a year at an interest rate of only 5 percent. Better yet, the government doesn't charge any interest
at all while the student is in school. There is a maximum lifetime limit of $40,000, including undergraduate Perkins debt. Award of Perkins dollars varies from college to college.

- **Subsidized Stafford loans:** [Stafford Loans](#) are the second-cheapest federal loans for graduate students. Award is based on an analysis of the student’s FAFSA. The interest rate is capped at 6.8 percent, with a fee of no more than 1 percent. These are "subsidized" loans because no interest is charged while the student is in school. Graduate students may borrow no up to $8,500 each year. Stafford loans are made directly by the federal government. Therefore, all students are awarded all the money they qualify for, no matter what college they attend.

- **Unsubsidized Stafford loans:** [Unsubsidized Stafford Loans](#) are awarded to almost every graduate student who applies, regardless of income. Interest rates are 6.8 percent plus up to 1 percent in fees. They are called "unsubsidized" because the interest continues to accrue while the student is in school. Students don't have to make payments while enrolled at least "half time." (definitions of "half time" vary, but typically means taking at least two courses, or six credits, per semester.) There are no penalties or fines for not making payments while attending school, the accruing interest means that when you graduate, total debt has increased. The cap on graduate student Stafford Loans is $20,500 a year and $138,500 over a lifetime. Subsidized Stafford amounts count toward these total Stafford borrowing limits.

- **Grad PLUS:** Graduate students who need more money after maximizing other federal loan options can borrow the full remainder of educational costs (including basic living expenses such as transportation, child care, etc.) from the [PLUS program](#). Grad PLUS loans charge 7.9 percent in interest and 4 percentage points in fees.

**Q. If I have prior student loans can I qualify for more federal student loans?**

**A. Yes.** Eligibility for additional student loans is dependent on many factors, which a Financial Aid officer will review with you. However, existing student loans do not preclude you from being approved for student loans for current study, if you meet the criteria of enrollment on at least a part-time basis.

**Q. Can my prior federal student loans be deferred if I return to school?**

**A. Yes.** Federal student loans can be deferred for many reasons. One criterion is enrollment on at least a part-time basis in higher education. There are many other eligible reasons that payment of prior student loans can be deferred. The federal government list of deferments includes: [Armed Forces/Military Deferment](#), [Parental Leave Deferment](#), [Economic Hardship Deferment](#), [Unemployment Deferment](#), [Temporary Total Disability Deferment](#), [Working Mother Deferment](#), [Public Health Service Deferment](#), [Teacher Shortage Area Deferment](#), [Tax Exempt Organization Deferment](#), [Rehabilitation Training Deferment](#), [Parent Plus Loan Deferment](#), [Peace Corp Deferment](#), [Action Program Deferment](#), and [Internship/Residency Deferment](#).

**Q. In addition to filing a FAFSA, what other sources can help pay for college?**

**A.** There are two major tax credits that can help you: The [American Opportunity tax credit](#) (Hope College Credit) and the [Lifetime Learning tax credit](#) (both at [www.irs.gov](http://www.irs.gov)). NJIT hopes that by pointing out these sources to you, not only won’t they be a surprise (however pleasant) at April tax time, but they can strengthen your resolve now to return or continue your education.

**Q. Why should I look into tax credits?**

**A.** Tax credits help pay for college by reducing federal income tax (dollar for dollar) or reducing Adjusted Gross Income (AGI). The American Opportunity tax credit / Hope College Credit and the Lifetime Learning tax credit each have different qualifications, so for more details than in this FAQ, be sure to consult a tax advisor or accountant and review information at [www.irs.gov](http://www.irs.gov).

**Q. What is the American Opportunity Tax Credit (Hope College Credit)?**
A. The American Opportunity tax credit (Hope College Credit, [www.irs.gov](http://www.irs.gov)) is a tax credit that helps pay for college. Revised for 2009 and 2010 tax years under the American Recovery and Reinvestment Act (ARRA and also known as the “federal stimulus bill”), this tax credit reduces your federal income tax (dollar for dollar).

The revision of the credit through the 2009 stimulus bill is a larger credit than previously offered, covers more years of college, and helps more taxpayers, including those who owe no taxes. One new change is that the tax credit has been increased to $2,500 for each qualifying college student in a family. The revision also now allows you to claim **all four years** of post-high-school education (previously it was only the first two years). If you already used the Hope College Credit tax benefit in the past, you can now use the expanded American Opportunity tax credit for the remaining years. You get the maximum credit if you spend at least $4,000 in qualifying expenses, which now include the cost of books as well as tuition and fees.

The new rules enable more people to qualify and benefit from this opportunity, based on Adjusted Gross Income (AGI): for those filing “Single,” qualifying incomes go as high as $90,000; and for taxpayers filing jointly, the thresholds go up to $180,000. In addition, for qualifying taxpayers (based on AGI) up to 40% of the credit (as much as $1,000) can be paid as a tax refund. (The old Hope Credit could reduce your income tax but not give cash back.)

The changes in this tax credit do not affect the Lifetime Learning tax credit (which applies to higher education not covered by the American Opportunity credit) for education after the first two or four years, or for classes taken (1) less than half-time or (2) not in pursuit of a Degree.

### Q. What is the Lifetime Learning Credit?
A. The Lifetime Learning Credit ([www.irs.gov](http://www.irs.gov)), which can be claimed for graduate school, for example, or for a single post-high-school class, is worth up to $2,000. The credit is 20% of the first $10,000 of qualifying costs. The income phase-out zone is lower than for the new American Opportunity tax credit. The Lifetime Learning tax credit gradually disappears for Adjusted Gross Incomes between $50,000 to $60,000 for tax returns filed as “single” and from $100,000 to $120,000 for “joint” returns.

### Q. What other sources besides FAFSA and Tax Credits are available to Adult Learners? (Active U.S. Military Personnel and Veterans, see below for a separate FAQ.)
A. In addition to both subsidized and unsubsidized loans, and federal- and NJIT-funded fellowships, scholarships, assistantships, and college work-study, the following are some other sources:

- **Personal loans** ([www.njit.edu/financialaid/docs/PLL_v072809.pdf](http://www.njit.edu/financialaid/docs/PLL_v072809.pdf)) both from conventional banks and newer types of internet-based enterprises
- Scholarships (particularly from foundations)
- Company tuition reimbursement benefits
- Grants to unemployed people from your county’s One-Stop Career Center. In NJ, information about county One-Stop Career Centers can be found at: [lwd.dol.state.nj.us/labor/wfprep/aidgrant/Financial_index.html](http://lwd.dol.state.nj.us/labor/wfprep/aidgrant/Financial_index.html).
- Tuition Assistance (TA) Program: [http://www.military.com/education/content/money-for-school/tuition-assistance-ta-program-overview.html](http://www.military.com/education/content/money-for-school/tuition-assistance-ta-program-overview.html)

### Q. What if I DON’T LIVE IN NJ and want to study at NJIT, which is a university supported by NJ taxpayers? Is there anything special for me?
A. This is a question about tuition and the good news is just for entirely online Graduate students. Universities supported by the State in which they are geographically located typically charge one tuition rate to in-state students, and another, higher rate to everyone else. This is true at NJIT with one very important exception. The exception applies to Graduate students who take advantage of NJIT’s many ONLINE Master’s degrees and Graduate Certificates by enrolling only in online graduate classes. Such enrollees can be full-time, part-time,
matriculated or non-matriculated and can live anywhere inside and outside the U.S. They can be U.S. citizens, green card holders and residents of any country in the world. Enrollees can even be international students who have acquired Visas to study or work in the US. For these “out-of-state” and international graduate online students, NJIT offers an eTuition (online tuition). The online graduate eTuition is significantly below the out-of-state rate to attend classes on campus. In fact, the new rate is only slightly higher than what New Jersey residents pay to attend NJIT. (For online learners who are New Jersey residents, the tuition to study on-campus or online is essentially the same and the most affordable of all.) You can check the tuition charge applicable to your situation immediately with NJIT’s easy-to-use tuition calculator (http://online.njit.edu/tuition/index.php) which instantly displays real costs. Use another calculator (http://online.njit.edu/tuition/gas-savings.php) to understand how much in gas money you’ll save by studying online versus driving to campus.

Q. I am a service member or veteran. What types of assistance besides FAFSA and Tax credits can I get?
A. There are resources for service members, veterans, military civilians and even their families. With convenient online classes (http://online.njit.edu), and policies which encourage transfer of higher education credits and award of academic credit for non-collegiate experiential and military training, NJIT offers a supportive environment for military personnel to start and finish a college program, be it either at the undergraduate or graduate level. This includes Post 9-11 military tuition benefits and/or the Montgomery GI Bill benefits. NJIT also participates in the Yellow Ribbon Program with designated ‘slots’ for those pursuing a Bachelor’s degree. Some of the benefits may extend to immediate family members so you yourself don’t have to fit this category if someone in your immediate family does. Be sure to contact your service branch to learn more about transferability and the Veterans Administration for any specific questions about your eligibility (http://www.gibill.va.gov/). Call them at 1-888-GIBILL-1. In addition, military personnel may also apply for Federal Student Aid (FAFSA). Best of all, the Veterans Affairs benefits are in addition to the source of assistance through completion of FAFSA documentation. This makes veterans eligible for more overall aid; or in other words, it allows for greater financial assistance. In addition, you may qualify for U.S. income tax credits depending on income as well as any or all of the other ways to pay for your NJIT education discussed in other FAQs. There is also additional tuition assistance information available at Tuition Assistance (TA) Program: http://www.military.com/education/content/money-for-school/ tuition-assistance-ta-program-overview.html

Q. Can I get career advice and job placement assistance at NJIT?
A. YES. NJIT’s Career Development Services staff provides students and alumni with free and ongoing career advisement, referral and placement services, resume and interviewing assistance, experiential learning opportunities and regular Career Fairs where hundreds of employers specifically seek and hire NJIT students. NJIT’s Career Development Services is a recognized leader in innovation and job placement. Feel free to review the annual placement report at http://www.njit.edu/cds/docs/cds_annual_report_09.pdf. NJIT students and alumni have an edge job searches and placement with ongoing (and free) career advisement, referral services, experimental learning opportunities, resume and interview guidance, job search assistance and twice per year Career Fairs with hundreds of employers specifically seeking NJIT graduates. NJIT Career Development Office posted 7,000 jobs in 2009-2010 for NJIT students and alumni

For information about NJIT programs:
Websites: adultlearner.njit.edu, online.njit.edu
Chat online with an NJIT representative: adultlearner.njit.edu/about/chat.php
Call: 800-624-9850 or 973-596-3061/ Email: cpe@njit.edu
Twitter: twitter.com/adultlearner /Facebook: www.facebook.com/people/Njit-Cpe/1064551148
LinkedIn: www.linkedin.com/in/adultlearner / MySpace: www.myspace.com/njit_adultlearner

For information about the financial assistance that NJIT provides:
Chat online with a financial aid counselor: www.njit.edu/financialaid/contact.php
Call: 973-596-3479 / Email: finaid@njit.edu /