

Paying for College: Script for Student Role Play

SCENARIO: CAN I AFFORD TO GO TO COLLEGE?

Bob [to Robin]: Hey, what's up? For someone who just got into the college you wanted, you don't look happy.

Robin: I'm not. I just got the letter from the financial aid office.

Felicia: Uh-oh. I remember when mine came. Not good. I had to scramble looking for money.

Robin: That's it—they gave me a little something but nowhere near enough. And I can't ask my parents for help—my dad's been out of work for a year now.

Bob: Look, there are lots of places out there that want to loan you money for college. Don't worry.

Felicia: Well, Bob, it's not quite that simple...

Bob: It was for me. I Googled "student loans" and came up with a ton of hits. And you can apply online, even.

Felicia: Yeah, but what kind of interest rates are you paying? I mean, sure, there are lots of loans out there begging you to take them—but they're not always a good deal.

Robin: Well, I don't care about a good or bad deal—by the time I get out of college I'll be able to pay whatever. I just need to know I can get the money now.

Felicia: Believe me, when you get out of school and it comes down to paying your student loans or paying your rent, you're gonna care. My sister got herself in a real mess because she didn't pay attention when she took on all that debt.

Robin: Well, I guess I'd just declare bankruptcy and have some judge wipe it all away.

Felicia: That's not going to happen. Student loans are like taxes. They don't go away even if you declare bankruptcy and get everything else you owe dismissed.

Bob: You're kidding! You mean I'll be stuck if I can't afford the payments once I graduate? I didn't know that.



SCENARIO: CAN I AFFORD TO GO TO COLLEGE (CONT.)

Felicia: You know it now. That's why instead of telling Robin to go online and pull up some student loan company we don't know anything about, you're better off going to a government agency website for advice. Or talk to the school counselor.

Robin: I don't even know where to start.

Felicia: How about with the Department of ED-U-CA-TION? I mean, it's all in the name. Or look up "Federal Student Aid" or "Paying for College." You need to figure out what you actually are going to need for your first year before you go running after some loan. The web has sites that will walk you through those calculations.

Bob: I still think Robin should just go for it.

Felicia: You'd feel different if Robin was asking you to co-sign those student loans. Taking on too much debt, or paying too much for it in interest, is one way you set yourself up for financial failure. You can't ever repay them. And honey, that leaves you, the co-signer, holding the bag.

Robin: I kind of like Bob's approach though—it doesn't sound like so much work.

Felicia: OK, Bob, why don't you tell us what you actually did to get all that magic money for college.

Bob: Well, the down side was I didn't get my form filed in time to apply for federal government loans—that FAFSA thing. So I had to use private loans. But I did OK anyway. I got some low rates to start...

Felicia: "To start"—that's the problem. If your interest rates go up, your payments will go up. What will you do then?

Bob: I guess I'll invent the next killer app and make billions....

Felicia: Robin, don't listen to Wonder Boy Mark Zuckerberg the second over here. Do it my way—check out everything the government offers, and check out what's out there for private loans too. You can even find money at the state and local level that can help you pay.

Robin: I filled out that FAFSA form, but I didn't hear back yet on some things I applied for.

Felicia: Well, my advice is, act like you're going to have to take the private route and check things out. That way, if you get government money, great, but if not, you'll already have made a start. You'll be in good company. By the time they graduate, two-third of students will have some kind of loan.



SCENARIO: CAN I AFFORD TO GO TO COLLEGE (CONT.)

Robin: But how will I know what's a good loan—one I can repay?

Felicia: Do you have anyone who knows about money—I mean, someone who really understands loans—not Bob? Like, my parents and I went to our bank when I pulled all my loan information. They explained about how the interest rate could change, and what that would mean, and whether or not I could change payment terms if I got into trouble. It really helped me to see what else I could do to avoid borrowing too much to repay.

Bob: Yeah, like what was that?

Felicia: Like, I got a part-time job! Something you might want to try, Bob. You know, *work*—where you put in time and they give you money. Just in case your killer app tanks instead of taking off....

[END]