From the Office of Financial Aid:
Preparing Your Law School Finances

At Texas Law, all incoming students are considered for merit scholarship and eligible students can submit a Free Application for Federal Student Aid (FAFSA). However, there are several steps that incoming students can take to prepare financially so that more attention can be placed on the academic experience of law school. Choices you make now will impact your financial circumstances far into the future. Building a budget plan for the entire year is vital to mitigating debt.

UNDERSTANDING COST-OF-ATTENDANCE

Cost-of-attendance is a higher education term which equals the sum of tuition and fees, books and supplies, and necessary living expenses. Under federal policy, a student is not allowed to receive financial aid (i.e. scholarships, grants, and loans) past the COA amount. Our chart shows the cost-of-attendance for nine months for a first year law student taking 30 hours. Half of each line item is allocated for the fall and half is allocated for the spring semesters.

You can increase your cost-of-attendance allowance for particular expenses:
1. A one-time purchase of a laptop with approved accessories
2. Child care for children under twelve
3. Student health insurance premiums
4. Medical, dental, pharmacy, and vision expenses that are not covered by your insurance

*The numbers for 2018-19 will be finalized by the university’s Regents in May 2018. Expect these numbers to increase—or decrease—very slightly.

CALCULATE THE SUM OF AVAILABLE RESOURCES

<table>
<thead>
<tr>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Grants</td>
<td>$</td>
<td>Not determined</td>
<td>Not determined</td>
</tr>
<tr>
<td>Parental Support</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Savings</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Employment income</td>
<td>Not applicable</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
CALCULATE YOUR FIRST – YEAR NET COST TO ATTEND

<table>
<thead>
<tr>
<th>Fixed cost of attendance amount in the first year</th>
<th>Your sum of available resources</th>
<th>Funding needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>– $</td>
<td>$</td>
</tr>
</tbody>
</table>

MINIMIZE SPENDING WHERE POSSIBLE

- Reduce existing debts as much as possible before you enroll. You cannot receive financial aid for expenses such as car payments, credit card payments or other consumer debt.
- Under the current cost-of-attendance allowance, Texas Law students receive around $10,000 for living expenses in one lump sum for each academic semester.
  - Fall term – mid-August to mid-December = approx. $2,500/month
  - Spring term – mid January to mid-May = approx. $2,500/month
- Refer to the “Anticipatory Expenses” handout so that you can prepare for other expenses during law school such as parking, a locker for books, or professional licensing fees.
- Minimize living expenses and discretionary spending habits so that you can minimize how much you have to borrow.
  - Step 1: Identify a 4 month budget for you now under current conditions
  - Step 2: Create a projected 4 month budget while in law school utilizing the $10,000 per semester
    - This process should help identify where you can decrease spending. Simple steps to integrate include cooking more, choosing modest housing, living with one to two roommates to decrease fixed expenses, and utilizing services from mandatory UT Austin student fees such as CapMetro transportation and one of the four gyms on campus.
- While in law school, set up your expenses from month-to-month. Refer to budget sheet as a guide or use your own templates. If you need assistance, visit the Financial Aid Office (TNH 2.122)

USEFUL TIPS

Many Texas Law students have become successful in navigating finances and mitigating debt while in law school through the following tips:

1. Borrow only what you need not what you can borrow
2. Adopt a more frugal, economical lifestyle while being a law student and stick to it. Join the Texas Law Housing Facebook group to view options on housing, roommates, and furniture/household items.
3. Plan ahead and budget for fixed, day-to-day and irregular or variable expenses for the entire 36 month period. Set aside time to review your budget before the beginning of each month to view and modify your budget to ensure you are on track.
4. Gift aid acquired through dividends, inheritance, spousal or family support should be reported to the Financial Aid office to reduce loan amounts.
5. Additional income earned through outside scholarship or employment should be allocated towards law school expenses such as tuition or set aside for bar prep study. Private loans are available for bar prep study and living expenses from financial institutions, but they may be at higher interest rates than federal student loans.
6. Under federal policy, when students return disbursed financial aid funds within 120 days, any interest on those accrued dollars is obliterated! Returning unused financial aid equates to saving hundreds of dollars in future income that would be spent on interest. Try and return any unused financial aid before the end of the respective semester to take advantage of the savings.
7. Get to know the Financial Aid staff at the law school and subscribe to the Texas Law financial aid listserv. You may want to inquire about existing programs like scholarships for continuing students, Texas Law Fellowships, Loan Repayment Assistance Program (LRAP) or Public Service Loan Forgiveness (PSLF). Subscribing to the listserv ensures you receive up-to-date information on federal and university policy regarding financial aid and additional outside scholarship opportunities.
8. Plan ahead financially after law school. It is important to understand repayment options, consolidation, refinancing loans with private institutions, or how all these options may affect financial obligations like federal income tax. Texas Law offers programming on student loan repayment, PSLF, and LRAP annually.

Updated - February 27, 2018 – Prepared by Mario Villa