PAYING FOR YOUR DEGREE:
Your Financial Guide

Capella University

GET **STARTED** ▸

You're not alone in this. We're here to help.

Going back to school is a big decision. For many, it's the next step in a career journey. For others, it's about fulfilling a dream. Regardless of the reasons that have brought you to this moment, you should feel confident in your plan to fund your education. The choices involved can definitely be overwhelming—so we put together this guide to help you evaluate the options and make the best choices that work for you.

This step-by-step guide can help you:

- Get clear on your goals
- Estimate your costs
- Find ways to reduce your tuition
- Explore all your funding options
- Create a plan to pay for your education
- Connect with financial experts at Capella

Myth #1 about finding money to pay for school

You make too much money to qualify for aid.

There is no income ceiling for many forms of aid, including some federal aid and Capella scholarships. How much you make is just one of several factors that determine your eligibility for some types of financial support. It's true that some forms of school-specific financial aid are limited by income level, but it's worth checking to see if the threshold is as low as you think it is.

What's more, Capella enrollment counselors are available to help applicants find their way through the options when it comes to paying for school. Here's what students have to say about the assistance they've gotten from enrollment counselors:

"My enrollment counselor was very helpful. She had me explore areas I hadn't thought of. I found out so much more about scholarships."

Randy, doctoral candidate*

Disclaimer: Actual Capella learners who agree to appear in promotional materials for Capella.

Get clear on your goals

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Get clear on your goals

Let's begin by momentarily forgetting about money. Think about what kind of education you want. How will you use it? What kind of job do you hope to land? How much time do you have to devote to learning? What will be the focus of your degree?

Now, list your ***Top Reasons*** for going to school here:

Return on Investment – Is Your Education Worth the Cost?

By now, you're probably clear on how education will benefit your future. But it's worth asking a few questions one last time.

- What are my costs for attending Capella?
- What do I intend to do with my education once I'm done?
- What does the work/outcome mean in terms of salary and personal fulfillment?
- Are the outcomes and benefits of achieving my education worth the investment?

Remember, we're here to support you. Reach out to your Enrollment Counselor if you'd like to discuss the award letter process or you return on investment.

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Expert tip: Fill out the FAFSA—today

Submit your Free Application for Federal Student Aid (aka FAFSA) as soon as possible. It's online, easy, and quick to fill out. You'll receive an award letter from Capella two to four weeks after you complete the application.

Here are a few things you will need:

School Code: 032673

Aid Year: 2018-2019

Tax return for: 2016

Help is available

If you're feeling confused and overwhelmed by all this talk about money, that's normal! It's complex. But rest assured that every student faces similar challenges. That's why Capella has a team of specialists who can walk you through the options and explain how things work. Contact an enrollment counselor now and start getting your questions answered.

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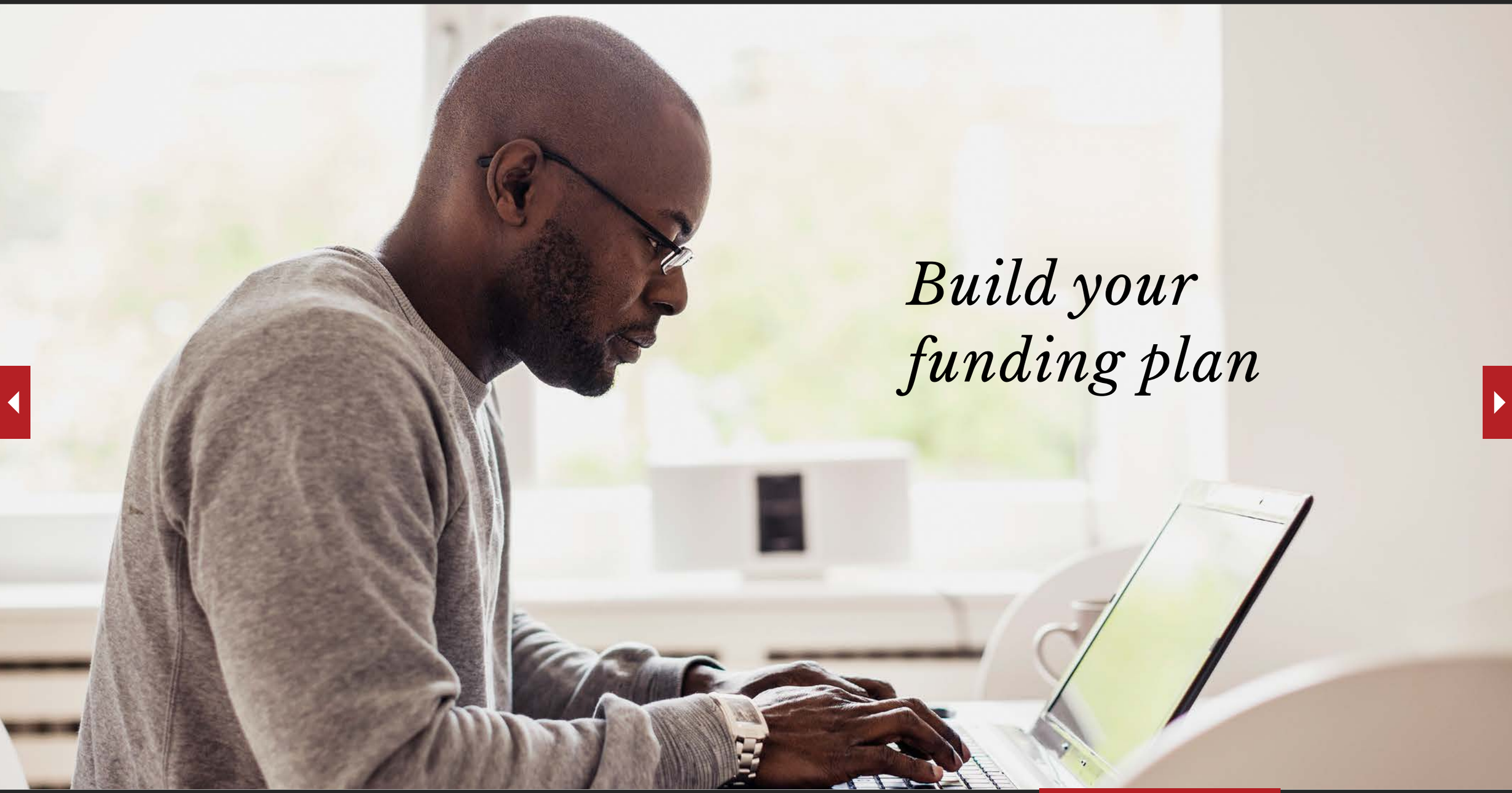
Build your funding plan



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Steps to build your funding plan

Once you've decided why you want to go back to school, the next step on the path is figuring out how to get your degree. For most, a significant part of that is figuring out how to fund your education. Here's what the decision-making process might look like:

Step 1. Estimate your cost

Step 2. Reduce your tuition

Step 3. Self-funding options

Step 4. Borrowing options

Myth #2 about finding money to pay for school

Your past grades aren't high enough to be eligble for financial aid.

It's true that some scholarships depend on having good grades in the past. But the most common forms of financial aid—grants and loans from the federal government—don't depend on past educational performance. However, once you're enrolled, you will need to maintain satisfactory grades to continue receiving aid, of course—but that will help motivate you, right?

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Step 1: Estimate your costs

The total cost of a Capella degree depends on many factors, so we recommend talking with an enrollment counselor who can help you estimate costs—and potential savings—easily and efficiently. The following list is not exhaustive, but here are some of the basic costs to keep in mind:

- *Textbooks*
- *Tuition*
- *Technology*
- *Fees*
- *Residency*

Textbooks

Be sure to budget some money for books. Many Capella programs include our quarterly Resource Kit, an easy, low-cost solution that contains all the resources you need. Some of our programs provide students with free eBooks as well. Regardless, make sure to tally this number into your cost.

Tuition

Tuition varies by program and learning format. Compare both cost per credit and number of credits to understand tuition differences. Capella offers two online learning formats, GuidedPath and FlexPath that have separate tuition models. GuidedPath is a pay-per-credit/per-course tuition model, and is available for all programs. FlexPath is offered for select programs and is a subscription-based tuition model, where students complete as many courses as they can every 12 weeks, for one flat tuition fee. Take the Path Finder Quiz to find out which learning format is right for you.

Technology

You'll need an up-to-date computer and a solid Internet connection to complete your coursework efficiently. Is yours up to the task? Some basic software programs—such as, Microsoft Word, Excel and an email program—will also be required to write papers and communicate with Capella faculty.

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Step 1: Estimate your costs (continued)

Fees

You won't find any hidden fees at Capella. We want to be as transparent as possible. So what fees might apply? You might have a one-time application fee, and your enrollment counselor can provide you with a complete list of any program-related fees that may apply.

Residency

Some master's and doctoral programs require students to participate in residencies, where you interact in person with faculty and other students. The cost varies, depending on the length of the residency, plus travel costs.

On the next page you'll have an opportunity to assess your finances and get a full, clear view of what goes into your education costs.

Myth #3 about finding money to pay for school

It's not worth your time to fill out the forms.

The Free Application for Federal Student Aid (FAFSA), can be completed online in about 20 minutes. Taking that time can be worthwhile to help you understand your financial aid eligibility even if you elect not to take out any student loans. The interactive form includes step-by-step instructions, and if you have questions as you go along, help is available by chat, email, or phone.

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School Comparison Worksheet

To begin assessing what goes into your finances, use this worksheet as a clear way to compare pricing across multiple schools so you can see for yourself how Capella stacks up.

It's important to note that not all universities set the same prices for their programs.

	Capella	School 2	School 3
Tuition (per credit) (Number of credits x cost per credits)*			
Books/Supplies (ex.: Resource Kit)			
Additional fees			
Technology			
Residency			
Transportation costs (ex.: Residency Travel)			

*This worksheet is intended for per-credit tuition billing comparison only (such as GuidedPath). Contact your financial aid advisor to estimate the cost for FlexPath programs, which use a subscription-style billing.

If you still have questions or want to talk it through further, contact an enrollment counselor.

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Step 2: Reduce your tuition

If the cost of a degree seems daunting, here's the good news: There are lots of ways to reduce the overall expense of your education at Capella.

- *Transfer credits*
- *Prior learning assessment*
- *Lower-cost general-education course credits*
- *Employer tuition reimbursements/tuition assistance*
- *Scholarships*
- *Federal grants*
- *Military discounts*
- *Military benefits*
- *Partnership discounts*

First, explore what you can apply to your program

Transfer credits

You may be able to transfer credits from courses you completed at other accredited institutions, reducing the time or number of credits you'll need to complete your degree. Most programs accept transfer credits, but there's a limit on the number of transfer credits allowed.

Prior learning assessment

In some cases, you may be eligible to earn credit for prior learning through Capella's prior learning assessment process (PLA). Check with an enrollment counselor to see if your program offers PLA.

Lower-cost general-education course credits

Capella University has developed a strong partnership with Sophia Learning, which offers bachelor's students an opportunity to complete general-education classes at a lower cost and apply them toward a Capella degree program. Learn more about Sophia Learning.

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Step 2: Reduce your tuition (continued)

Next, talk to your employer

Employer tuition reimbursements/assistance

Many employers offer tuition assistance for employees who go back to school. Check with your employer regarding educational benefits.

Then, start looking for money that doesn't need to be repaid

Scholarships

Community organizations, national foundations, and professional associations offer financial assistance to qualified students based on financial need, personal background, or chosen field of study. Capella scholarships do not require repayment at any time and your eligibility for them is not based on financial need.

Federal grants

Grants are distributed based on financial need. Grants can be used to pay for education expenses including tuition, fees, books, supplies, equipment, transportation, and rental or purchase of a personal computer. Federal grants, given out by the U.S. Department of Education, are the most well-known. As a reminder, the completion of the FAFSA form can help you determine your grant eligibility.

Myth #4 about finding money to pay for school

My home equity or credit score will hurt my chances for financial aid.

Your home equity won't affect your qualification for need-based federal aid. Most colleges and universities, including Capella, don't ask if you own a home. You will also not be subject to a credit check unless you seek a graduate PLUS loan.

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Step 2: Reduce your tuition (continued)

Are you a member of the military?

Military discounts

Capella offers a 10 percent discount on graduate programs and a 15 percent discount on bachelor's programs for students who have served in the military or are spouses of an active service member. Who qualifies? Anyone who is:

- Military in an active duty, guard, or reserve capacity; the spouse of an active duty service member;
- Former U.S. military;
- Member of the United States Public Health Service Commissioned Corps
- Member of the National Oceanographic and Atmospheric Administration Commissioned Corps
- Currently serving in the United States
- Commissioned Corps;
- are a civilian employee of the Department of Defense;
- are a dependent receiving Dependents Education Assistance (DEA, Chapter 35) benefits from the VA

Military benefits

Current and former members of the U.S. military—and in some cases, their family members—may use VA education benefits, military tuition assistance, state benefits, or scholarships and grants that have been earned. Contact your enrollment counselor or military support for assistance.

Look for discounts through professional organizations

Partnership discounts

Capella partners with numerous professional organizations, schools, and employers and offers discounts to members of these organizations. Check with your enrollment counselor to see if you qualify.

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Step 3: Self-funding options

After you've explored ways to reduce your out of pocket tuition expenses with scholarships, grants, and discounts, consider some additional ways you can fund your education without borrowing.

- *Pay out of pocket*
- *Federal work study*

Pay out of pocket

What can you contribute? Students can pay for their Capella tuition in quarterly or monthly installments. Payments can be made online, by mail with check or credit card, or by domestic or international wire.

Federal work study

The Federal work study program provides part-time employment (generally up to 15 hours per week) to students to help meet their educational costs. Unlike loans, federal work-study aid is paid to you directly based upon the hours you work—with no repayment obligation.

Myth #5 about finding money to pay for school

There's no money for people like you.

There are billions of dollars available to students every year, and nearly two-thirds of applicants qualify for some assistance. You may not get a full scholarship, but you might qualify for federal loans, grants, employer discounts, or other deductions.

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Step 4: Borrowing options

Finally, once you've reviewed all options for financial aid and paying from existing resources, you may want to consider borrowing money. It's important to borrow only what you need to finance your education. Smart borrowing involves making a careful assessment of what you need to borrow and the terms for paying back your loans.

- *Federal student loans*
- *Private loans*

Federal student loans

The U.S. government provides several low-interest student loan options for degree and certificate students. Some loans do not require a credit check or cosigner and typically do not require repayment until six months after leaving college. The loans also have flexible repayment plans, allowing students to navigate difficult situations.

Private loans

Some private lenders, such as banks, credit unions, state agencies, or other organizations, offer educational loans. Make sure you evaluate the interest rate and repayment terms carefully before taking out a private loan.

Myth #6 about finding money to pay for school

Funding isn't available for master's and doctoral students. Just bachelor's.

False! Many forms of scholarships are available for bachelor's, master's or doctoral students. And federal financial aid is never based on age. Ever.

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Three things to know about borrowing

Smart borrowing

Remember you may borrow less than what you are offered. Talk to your enrollment counselor or financial aid to find out exactly how much you need each quarter for tuition.

Loan forgiveness program

Some federal loans may be forgiven if you used your education to pursue a job in public service. Ask your enrollment counselor about the options.

Borrowing limits

There are annual and lifetime limits on how much you can borrow in federal funds. If you've borrowed money before, you'll need to take this into account. You can check your limits at the Federal Student Aid website.

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Apply for financial aid in 5 steps

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How to apply for finanical aid

Understanding the financial aid application process will help you get the most out of it. Here are the financial aid steps, tips, and approximate completion times.

- *Get an FSA ID*
- *Fill out the FAFSA*
- *Complete the online loan entrance counseling form*
- *Sign the Master Promissory Note*
- *Complete Capella's Finanical Aid Agreement*

1. Get an FSA ID

Creating an FSA ID allows you to access the federal student aid online system. The ID can also serve as your legal signature for approving documents during the financing process.

2. Fill out the FAFSA

To apply for federal financial aid, you'll have to complete the Free Application for Federal Student Aid (FAFSA). The FAFSA form is completed on the Department of Education website.

Having these items on hand will help you move through the application:

- School Code: 032673
- Aid Year: 2018-2019
- Tax Returns from 2 years ago - 2016

Ready to start your FAFSA? You'll find the form here. It will take approximately 20 minutes to complete.

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How to apply for finanical aid (continued)

3. Complete the online loan entrance counseling form

If you've never gotten a Direct Loan or Federal Family Education Loan, you're required to complete entrance counseling to ensure that you understand the responsibilities of taking out student loans. This step will take 20-30 minutes to complete.

4. Sign the Master Promissory Note

When you apply for federal student loans, you have to promise to repay them, along with any interest and fees. What will you need to fill it out? Here's a list. This step will take you about 30 minutes to complete.

5. Complete Capella's Financial Aid Agreement

This agreement is a Capella form allowing you to disclose any non federal financial aid you may be receiving. It can be accessed through the Capella Student Center page once you have applied for admission. For additional support with this step contact your enrollment counselor.

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Managing and repaying your financial aid

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Reading and responding to your award letter

Congratulations on completing your FAFSA! You're almost done with the annual financial aid process!

Once you've submitted all of your information, Capella will review it and respond with a financial aid award letter via email within 10 days. The award letter can be reviewed online in your Student Center.

What's an award letter?

The award letter outlines your Capella costs and the federal financial aid you're eligible for within the specific award year you've applied for with your FAFSA.

The letter will let you accept all, some, or none of the aid options for which you are eligible. You are not obligated to accept any of the student loan funds offered. After all, responsible borrowing is important! It requires careful consideration of your current funding needs and future repayment plans.

Finalizing your awards

Your award letter lists all of the types of federal financial aid that are available to you. Because you do not have to pay back grant money, the award letter will automatically accept any grant funding you qualify for on your behalf.

As for the loans offered, you must decide whether to accept all, some, or none of the amounts listed. If you decide to accept some, include the amount you'd like to accept. To finalize your choices, click "submit".

Ask yourself: Do the awards being offered provide enough funding to cover my costs?

If there is a gap between your funding and the cost of attendance, go back through some of the funding sources we've previously outlined in this guide to help you find ways to pay for your education. You may have overlooked one!

On the next page we will walk you through each of the critical components of your financial aid award package and what it means.

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Understanding your Award Package

1 **Award:** This lists the name of the awards you have qualified for. Click each type to learn more.

2 **Category:** Indicates the type of award. Each type has its own requirements. Click each to review before accepting to ensure you are aware of your commitments. We encourage you to borrow responsibly by only accepting what you need to pay for your education.

3 **Career**: This column confirms your student status to which your award will be applied.

4 **Offered**: This lists the total amount of money offered for the specific award. You may accept any amount up to the total listed. You do not need to accept the full amount.

5 **Accepted**: Clicking this box allows you to accept that specific award at the amount you have elected to receive.

6 **Accept**: Clicking the box in this column will allow you to accept that specific award and the total you have elected from what is offered.

7 **Decline**: Clicking this box allows you to decline an entire award offered. Note: if you check this column, your entire award will be declined.

1 Award	2 Category	3 Career	4 Offered	5 Accepted	6 Accept	7 Decline
Federal Subsidized Loan	Loan	Undergraduate	$X,XXX	$X,XXX	☐	☐
Federal Unsubsidized Loan	Loan	Undergraduate	$X,XXX	$X,XXX	☐	☐
Federal Pell Grant	Grant	Undergraduate	$X,XXX	$X,XXX	☑	☐
Total			$X,XXX	$X,XXX		

Accept All | Decline All | Clear All | Update Total

Submit

Understanding your Award Package (continued)

8 **Accept All**: This option will automatically accept the full amount of every award you have been offered.

9 **Decline All**: This option will automatically decline the entirety of every award you have been offered, regardless of totals you have adjusted.

10 **Clear All**: This option will remove any values you have entered within any open fields.

11 **Update Totals**: If you change the amount listed in the Accepted column (see #5), selecting Update Totals will allow you to see the total amount you have currently listed on this page. Note: clicking this button does not accept the award totals listed.

12 **Submit**: Selecting Submit will submit this form as you have currently completed it. In doing so you take the awards you have accepted and the totals as you have set them.

Award	Category	Career	Offered	Accepted	Accept	Decline
Federal Subsidized Loan	Loan	Undergraduate	$X,XXX	$X,XXX	☐	☐
Federal Unsubsidized Loan	Loan	Undergraduate	$X,XXX	$X,XXX	☐	☐
Federal Pell Grant	Grant	Undergraduate	$X,XXX	$X,XXX	☑	
Total			$X,XXX	$X,XXX		

8 Accept All

9 Decline All

10 Clear All

11 Update Total

12 Submit

Award Disbursement Summary: You can find a summary of the awards you have accepted and how your award totals will break down and disburse within an award year by quarter here: Log in at Campus.capella.edu>My Capella>Finances>Finances Dashboard Or contact a financial aid advisor at FAO@capella.edu

Maintaining your financial aid disbursements

FLEXPATH™

Maintain FlexPath financial aid disbursements

With subscription-based tuition, the faster you move the more you save. You can complete as many courses as you want every 12 weeks—up to two at a time.

Once you're approved for financial aid, meet these two requirements to receive consistent disbursements:

- Be continuously enrolled throughout each 24-week payment period.
- Earn your required program points by the end of each 24-week payment period.

Contact a Capella financial aid advisor with questions or to discuss your situation.

GUIDEDPATH™

Maintain GuidedPath financial aid disbursements

Once you're approved for financial aid, meet a few requirements to ensure that you receive timely and consistent disbursements:

- Attend courses at least half time.
- Participate in courses by census and ongoing.
- Maintain good academic standing and satisfactory academic progress.

Contact a Capella financial aid advisor with questions or to discuss your situation.

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Developing a Strategy for Loan Repayment

Student loans are funds that must be repaid. If loans are part of your financing plan, you'll begin repayment 6 months after you graduate or stop attending school.
To estimate how much your monthly payment will be and what options you have, you'll want to familiarize yourself with these resources:

- Loan repayment options: https://studentaid.ed.gov/sa/repay-loans/understand/plans
- Loan repayment estimator: https://studentloans.gov/myDirectLoan/repaymentEstimator.action
- Loan types and details on each: https://studentaid.ed.gov/sa/types/loans
- Student loans are funds that must be repaid. If loans are part of your financing plan, you'll begin repayment 6 months after you graduate or stop attending school.

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Create a plan to pay for your education

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Create a plan to pay for your education

Now that you have a better understanding of the cost of your degree as well as ways to reduce that cost and find available funding option, let's put a plan together. Use this checklist to map—and regularly track—the costs of your education.

- ✓ Document your total program costs (tuition, fees, resource kit, etc.).
- ✓ Apply all tuition reductions.
- ✓ Apply all free money options.
- ✓ What are you willing to pay out of pocket? Apply your contribution.
- ✓ What's left? This is the amount to borrow.

Tuition funding worksheet

Use this funding worksheet to help estimate your potential tuition reductions. This worksheet may not address all the sources of funding available to you. Contact a Capella enrollment counselor with questions.

Financial Resource	Amount
Employer assistance	
Transfer credits	
Capella scholarships	
Scholarships	
Work study	
Grants	
Military benefits	
Prior learning assessments	
Low-cost general-education credits	
Combined degrees	
Student loans	
Private loans	
Other	
Totals	

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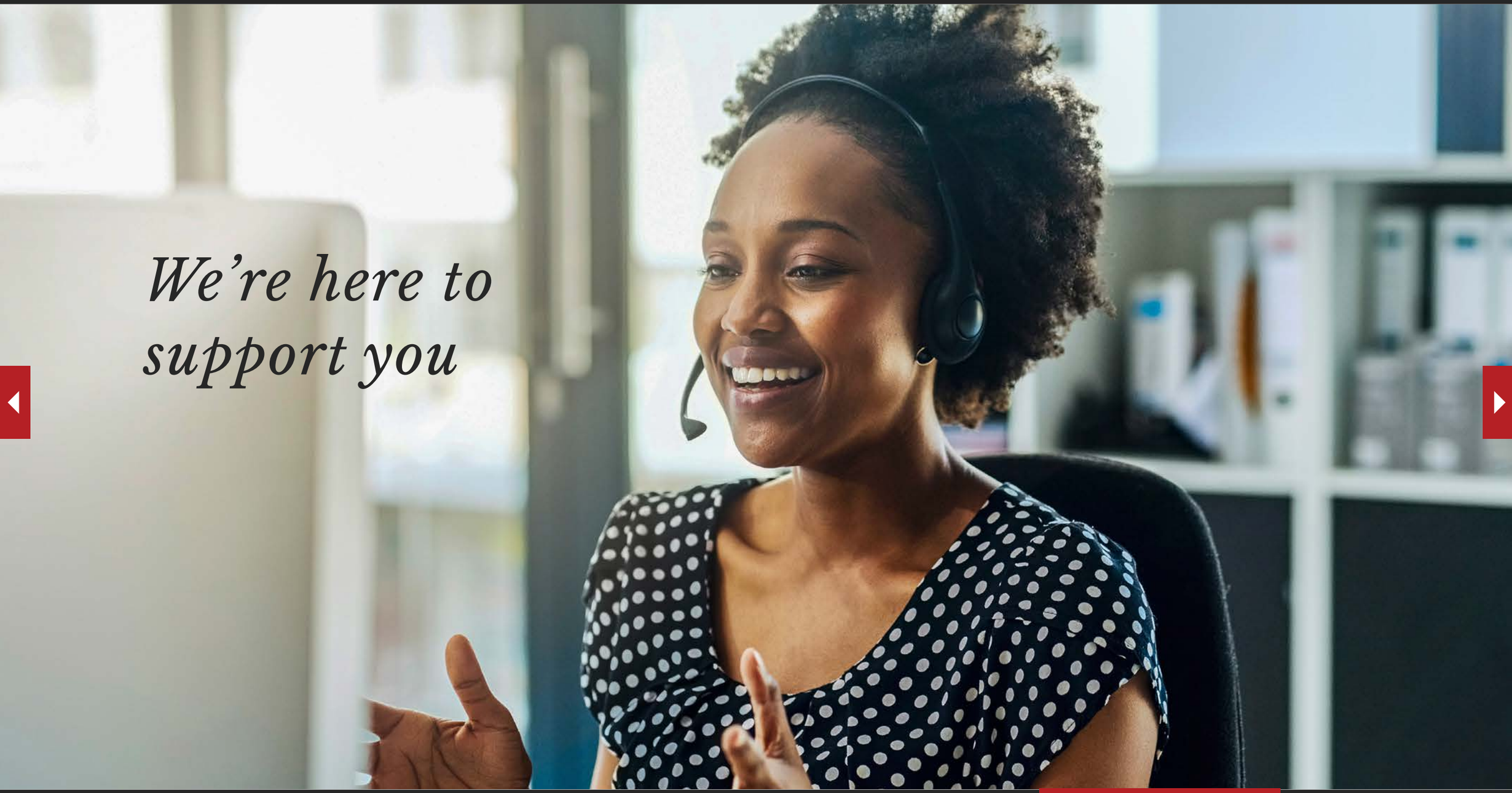
We're here to support you



Capella can help. We're here to figure this out with you.

Our enrollment counselors can guide you through the basics of funding your education.

Their job is get to know you, your personal motivations, and professional dreams, and help you discover the best way to reach your goals—financially and otherwise.

Our financial aid team can help you navigate more complex questions.

These experts can assist you in determining your eligibility for specialized forms of aid. Don't get frustrated sifting through details. Get help from one of our pros and you'll breathe easier.

Capella provides many online resources for prospective Capella students.

The Capella University blog contains dozens of articles explaining the ins and outs of how to pay for your education. As an applicant, you will have access to Campus, a password-protected site that offers lots of information about funding resources for enrolled students.

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Glossary of Terms

FAFSA – Free Application for Federal Student Aid. Completed on the Department of Education website, this form must be completed annually to help determine your eligibility to receive federal financial aid, which is provided by the federal government. Capella University school code: 032673.

Grants – Monetary gifts to people who are pursuing higher education. Unlike student loans, grants don't require repayment and are awarded based on financial need

Federal Financial Aid – Includes grants, loans, and work-study programs. Federal financial aid from the federal government helps you pay for education expenses at an eligible college or career school.

Federal Student Loans – The U.S. government provides several low-interest student loan options for degree and certificate students. Some loans do not require a credit check or cosigner and typically do not require repayment until six months after leaving college. The loans have flexible repayment plans, allowing students to navigate difficult situations.

Master Promissory Note (MPN) – A legal document in which you promise to repay your federal student loan(s) and any accrued interest and fees to your lender or loan holder. There is one Master Promissory Note for Direct Subsidized/Unsubsidized Loans and a different MPN for Direct PLUS Loans. Most schools are authorized to make multiple federal student loans under one MPN for up to 10 years. The MPN contains a Borrower's Rights and Responsibilities Statement that explains the terms and conditions of the loan(s) you receive.

Online Loan Counseling – Also called entrance counseling. Required by the federal government if you have not previously received a Direct Loan or Federal Family Education Loan - to ensure that you understand the responsibilities and obligations you are assuming by accepting a loan.

Prior Learning Assessment – A program that allows a learner to earn credit for demonstrating relevant, college-level knowledge gained through formal and informal work training, continuing education programs, self-instruction, professional certifications, and other learning experiences.

Private Student Loans – Offered by some lenders such as banks, credit unions, state agencies, or other organizations. These are available at varying interest rates.

Scholarships – Money that a student doesn't need to repay. Awarded by community organizations, national foundations, schools, and professional associations and can be based on financial need, personal background, or chosen field of study.

Subsidized Loan – A federal student loan for which a borrower is not generally responsible for paying the interest while in an in-school, grace, or deferment period. This loan is a need-based loan and awarded based on FAFSA information.

Unsubsidized Loan – A federal student loan for which the borrower is fully responsible for paying the interest regardless of the loan status. This loan is non need-based and awarded based on FAFSA information.

Work Study – The Federal Work-Study program provides part-time employment (generally up to 15 hours per week) to students to help meet their educational costs. Federal work-study aid is paid to you directly based upon the hours you work–with no repayment obligation.

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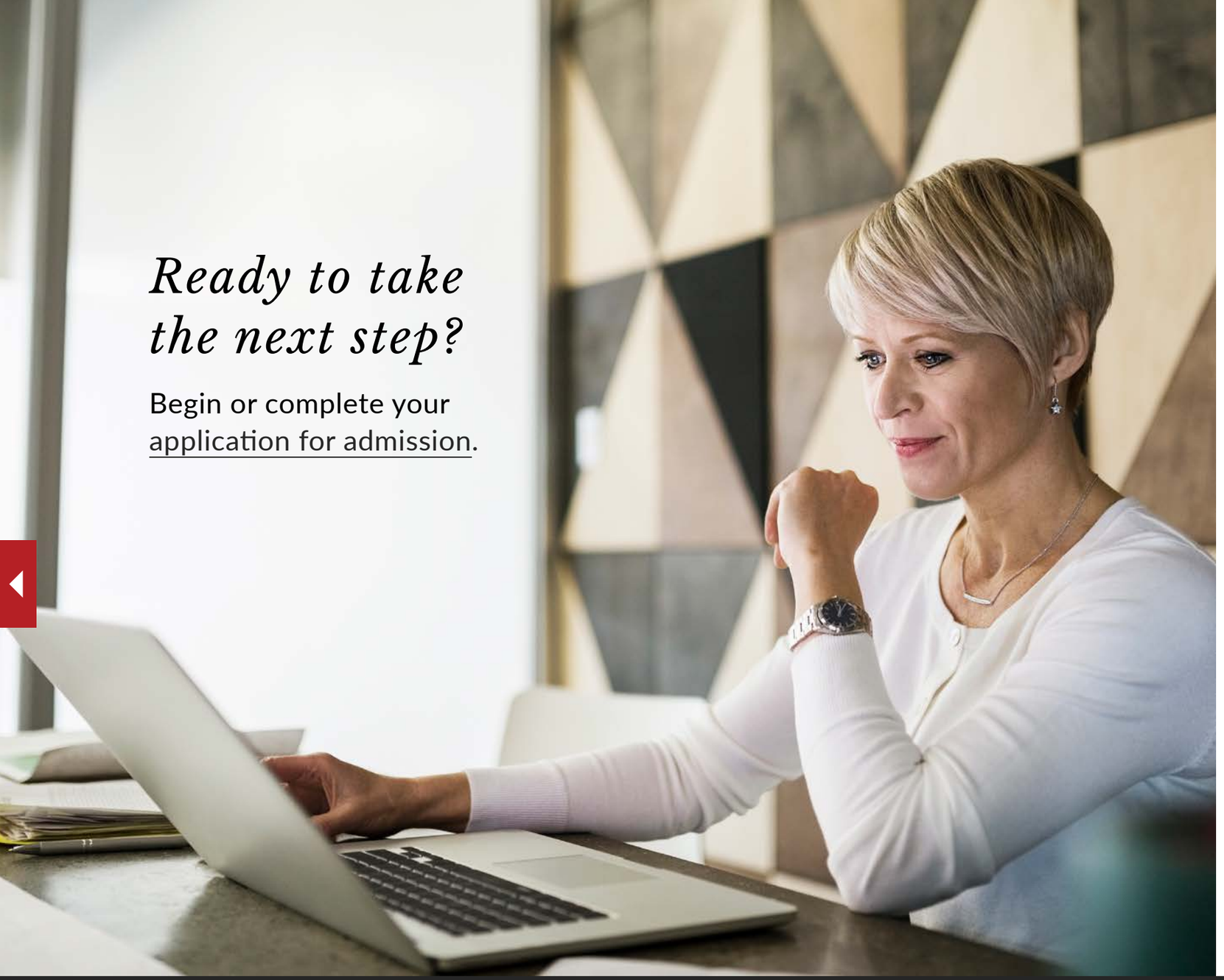

Ready to take the next step?

Begin or complete your application for admission.

Talk to a Capella Enrollment Counselor:

1.866.933.5819

capella.edu

Request information

ACCREDITATION: Capella University is accredited by the Higher Learning Commission.
HIGHER LEARNING COMMISSION: https://www.hlcommission.org, 800.621.7440
CAPELLA UNIVERSITY: Capella Tower, 225 South Sixth Street, Ninth Floor, Minneapolis MN 55402, 1.888.CAPELLA (227-3552)

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