

Financial Aid Seminar



LUX ET SPES



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Student Financial Services



- What *is* financial aid?
- What are the sources of financial aid?
- How will colleges determine your eligibility for aid?
- When and how do you apply for aid?



Principles of Financial Aid

Parents and students are responsible for financing an education

- up to their ability.

Financial aid should provide students with access and choice.



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What is Financial Aid?

- Gift Aid

- *Scholarships and Grants*
- *No repayment obligation*



- Loans

- *Borrowed by student*
- *Must be repaid at later date*



- Work Study

- *Opportunity for employment*





Gift Aid: Grants, Scholarships

Government Entitlements

Federal Pell Grants	\$400 - \$5645
MASSGrants	\$200 - \$1600
TEACH Grants	\$4000

Government Limited Grants

Federal SEOG	\$200 - \$4000
MA Gilbert Grants	\$500 - \$2500
MA Tuition Waivers & Fee Grants	

Private Scholarships

Colleges' scholarships and grants



Student Loans

- Massachusetts No Interest Loan \$500 - \$4000
- Federal Perkins Loan \$200 - \$5000
- Federal Direct Student Loan
 - Subsidized or unsubsidized
 - Freshman: \$3500/\$2000
 - Sophomore: \$4500/\$2000
 - Junior, Senior: \$5500/\$2000
- Institutional loans
- Parent PLUS Loans (NOT financial aid – based on credit)



Work Study Jobs

- College Employment Program
- Federal Work Study Program
 - On campus employment
 - Off campus employment



Basic Formula to determine your financial need



Cost of Attendance (COA)

- Expected Family Contribution (EFC)
- = Financial Aid Eligibility/Family Need

Cost of Attendance (COA)



**Tuition
and Fees**

+

**Room
and
Board**



+



Books

+

Supplies



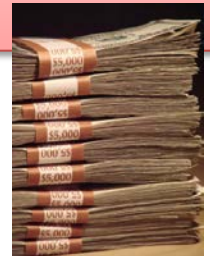
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Transportation



+

**Other
Personal
Expenses**



Expected Family Contribution

- Determined through completion of financial aid application form(s)-FAFSA and PROFILE
- Basic Building Blocks:
 - Parent & Student Income
 - Parent & Student Assets
 - Household Size
 - Number Siblings in College



EFC



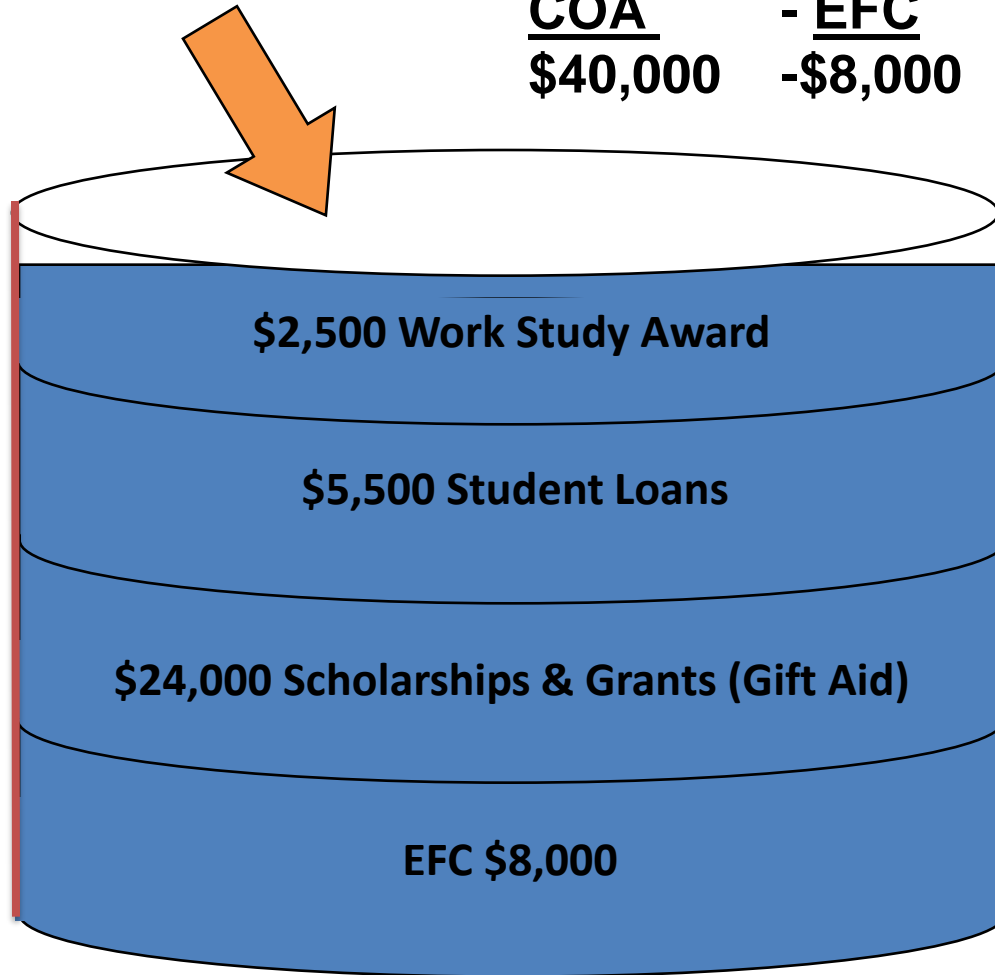
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The Financial Aid Package

A Sample Financial Aid Award

$$\begin{array}{rcl} \underline{\text{COA}} & - \underline{\text{EFC}} & = \underline{\text{Need}} \\ \$40,000 & - \$8,000 & = \$32,000 \end{array}$$





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Deciphering Award Letters

- Spreadsheet:
 - Total Costs
 - minus Total Gift Aid
 - minus Total Loan Aid
 - Equals REAL Family Contribution
- Estimating Total Student Debt on graduation





The Federal Shopping Sheet

- Used by some schools
- Created by Consumer Financial Protection Bureau (CFPB) and the US Dept. of Education (ED)
- Contains:
 - Total gift aid and net cost after gift aid
 - Total self help (loans and work-study)
 - School facts
 - 6 year graduation rate
 - Loan default rate
 - Median borrowing of graduates



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College Navigator



www.collegenavigator.gov



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Calculating the Family Contribution





Federal Methodology for EFC for Government Funds

- Determined through filing FAFSA
- Used by ***all*** colleges to give out federal & state money
- Formula identical from school to school
- Excludes home equity, small business, family farm
- Includes business losses
- Used exclusively by state schools and some privates
- Links with IRS with applicants' permission



Institutional Methodology for EFC for Institutional Funds

- Required by many colleges to give out their own money
 - Private colleges and universities; some publics
- Formula could vary widely from school to school
- Generally includes home equity, small business, family farm
- Usually excludes business losses
- Determined by filing PROFILE form
- More questions, more detail than FAFSA



Original Scenario

- 5 in family
- 2 in college
- \$ 86,000 Parent's AGI
- \$ 8,600 Fed. Inc.Tax
- \$ 46,000 Father wage
- \$ 46,000 Mother wage
- \$ 6,000 401K Contrib
- \$ 20,000 Parent assets
- \$3,500 Student AGI
- \$ 0 Fed. Inc. Tax
- \$3,500 Student wage
- \$1,000 Student saving





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Estimated Family Contribution (EFC):

\$ 200	Student Contribution
<u>5,800</u>	Parent Contribution
\$ 6,000	Total Expected FAMILY Contribution





Increase Parent's Assets to \$50,000

- 5 in family
- 2 in college
- \$86,000 Parent's AGI
- \$ 8,600 Fed. Inc. Tax
- \$46,000 Father wage
- \$46,000 Mother wage
- \$ 6,000 401K Contrib
- **\$50,000 Parent assets**
- \$3,500 Student AGI
- \$ 0 Fed. Inc. Tax
- \$3,500 Student wages
- \$1,000 Student saving





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Student Financial Services

Estimated Family Contribution:

Increased Parent Assets to \$50,000



\$6,300



Parent's AGI set to \$43,000: Mother not working

- 5 in family
- 2 in college
- \$43,000 Parent's AGI
- \$ 1,000 Fed. Inc. Tax
- \$46,000 Father wage
- \$ 0 Mother wage
- \$ 3,000 401K Contr
- \$20,000 Parent assets
- \$3,500 Student AGI
- \$ 0 Fed. Inc. Tax
- \$3,500 Student wage
- \$1,000 Student cash





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Estimated Family Contribution: Parent's AGI set to \$38,000 - mother not working



\$1,300



Increase Student Assets to \$20,000

- 5 in family
- 2 in college
- \$86,000 Parent's AGI
- \$ 8,600 Fed. Inc. Tax
- \$46,000 Father wage
- \$46,000 Mother wage
- \$ 6,000 401K Contrib
- \$20,000 Parent assets
- \$ 3,500 Student AGI
- \$ 0 Fed. Inc. Tax
- \$ 3,500 Student wage
- **\$20,000 Student**





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Estimated Family Contribution:

Increase student
assets to \$20,000

\$9,800





1 in college

- 5 in family
- **1 in college**
- \$86,000 Parent's AGI
- \$ 8,600 Fed. Inc. Tax
- \$46,000 Father wage
- \$46,000 Mother wage
- \$ 6,000 401K Contrib
- \$20,000 Parent assets
- \$3,500 Student AGI
- \$ 0 Fed. Inc. Tax
- \$3,500 Student wage
- **\$1,000 Student saving**





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**Estimated Family
Contribution:
1 in college**

\$10,500



**Get an estimate of your FAFSA
and/or PROFILE family
contribution at:**

- <https://bigfuture.collegeboard.org/pay-for-college/paying-your-share/expected-family-contribution-calculator>



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How to Apply For Financial Aid



Financial Aid Application Materials

FORMS MUST BE FILED EVERY YEAR

- FAFSA - Free Application for Federal Student Aid
 - Required by **all** colleges
 - Free
 - Paper or on-line
- PROFILE (on-line)
 - Required by some
 - Fee \$25 registration and first school;
 - \$16 each subsequent school
 - Non custodial profile statement \$25
- Institutional Application
 - Some Private Schools
 - Usually instead of PROFILE



Verification Process:

- Can be required by the federal government or by the college/university
- Is carried out by the college/university
- Involves documentation of data provided on the application forms
- An award based on *non-verified* information is subject to change after the information has been verified





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Let's Fill Out the Forms



Free Application for Federal Student Aid (FAFSA)

- www.pin.ed.gov
- www.fafsa.ed.gov

Profile Registration Form and Application

- <http://student.collegeboard.org/profile>



SEARCH

English | Español

Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)



New to the FAFSA?

**Start A New
FAFSA**

Returning User?

- Make a correction
- Add a school
- View your Student Aid Report, or SAR, and more...

Login

Deadlines

Information about your deadlines.

School Code Search

Find your college's school code. Also find detailed information about your college.

FAFSA Filing Options

Learn about the other options for filing your FAFSA.

Announcements

- NEW! Learn about [recent changes to the federal student aid programs](#).
- NEW! The 2012-2013 [IRS Data Retrieval Tool](#) is now available.

Thinking About College?



Use **FAFSA4caster** to see how federal student aid can help you pay for college!



Watch videos to see how federal student aid can help you pay for college!

Site Last Updated: Sunday, April 15, 2012

Due to scheduled site maintenance, FAFSA on the Web will be unavailable every Sunday from 5 a.m. to 11 a.m. (Eastern Time). We apologize for any inconvenience this may cause.



Reporting Parental information

(Parents the student lives with)

- Two legal parents (biological and/or adoptive) living together regardless of marital status or gender - *use both parents information*
- Remarried - *parent and step parent*
- Separated / Divorced – *use parent student lives with more than 50% of the time*
- Widowed (not remarried)
- Widowed, remarried – *use parent and stepparent*



Investments

- Trust funds, Mutual Funds, money market funds, CDs, stocks, bonds
- 529 plans owned by a dependent student, siblings, and/or parent are reported as a “parent” investment
- Other real estate (not the primary home)
- Reporting your home value – only on PROFILE
- UGMA and UTMA reported as the owner’s investment, usually the student (*not the custodian, who is typically the parent or grandparent*)
- Do not report the following as an investment:
 - Value of the home you live in
 - Value of Life Insurance Plans
 - Value of retirement accounts



Errors to Avoid

- Late filing meet: priority filing deadlines
 - Use estimates, do not wait till you have completed your tax returns
 - Don't wait until you have received your acceptance letter
- Incorrectly reporting Social Security Number, Name and DOB (must be an exact match with Social Security Administration)
- Reporting parent wages as student wages!
- Listing parent marital status incorrectly & filing taxes as head of household inappropriately
- Counting parents as in college (parents cannot be counted in college for financial aid purposes)
- Missing signatures (PIN #) on FAFSA
- Not reviewing & correcting SAR and Profile Acknowledgement



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The College Scholarship Service's Profile Form (CSS Profile)

<http://student.collegeboard.org/profile>



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[SAT](#)

[AP](#)

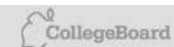
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[Visit PROFILE for Professionals ▶](#)

CSS / Financial Aid PROFILE®



Welcome to PROFILE. By filling out one form, you can apply online for nonfederal financial aid from almost 400 colleges and scholarship programs.

Apply for Financial Aid

Complete your PROFILE application to apply for financial aid.

Fall 2014 or Spring
2015

[Sign In](#)

Fall 2013 or Spring 2014

[Sign In](#)

Useful Resources

[2014-15 PROFILE Student Guide >>](#)

[Participating Colleges,
Universities and Scholarship
Programs >>](#)



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HELP | STORE | SEARCH: Site Colleges

STUDENTS | PARENTS | EDUCATORS | EN ESPAÑOL



for Parents

Noncustodial PROFILE

Welcome to the Noncustodial PROFILE (NCP). Please click on the link in the box below to find out more about the NCP including why colleges and programs require it, how the information you give will be used, tips to make filling out the application easier, and where to get help if you need it.

First Time Users - [Click here before you begin for important information about NCP](#)

Sign In

The first time you sign in enter your child's CSS ID and the Noncustodial PROFILE password that was assigned to you as part of your child's CSS/Financial Aid PROFILE process. You will automatically be asked to change your password in order to prevent your child and the custodial parent from accessing your information. (If you are not required to change your password and this is your first time accessing the application, please click on "Change Password" while signed in and create a new password. Once the application has been submitted you cannot change your password.)

Your child's CSS ID:

Password:

[Forgot Your Password?](#)

[Sign In to 2012-13 Noncustodial PROFILE](#) [Sign In to 2011-12 Noncustodial PROFILE](#)

[Help Desk](#) [Contact NCP](#)

Downloads

Requires [Adobe Acrobat Reader](#) (latest version recommended).

[Print Pre-Application Worksheet](#) (.pdf/43k)

[Print Instructions](#) (.pdf/95k)



Security is our top priority.
[Learn more about how we protect your information.](#)

[Please bookmark this page](#)



The Financial Aid Calendar

- **Jan.:**
 1. Complete FAFSA
 2. Complete PROFILE for early action and regular decision as required
- **Feb.:** Many schools' deadlines for forms
- **End of Dec. - Early April:** Financial Aid awards mailed for early action and regular decision acceptances
- **April:** Compare award letters from different schools
- **May 1:** DECISION DEADLINE - Pay deposit





The Financial Aid Calendar (continued)



- **July:** Bill for the Fall semester
- **Nov.:** Bill for the Spring semester
- **March:** File renewal FAFSA again for following year!

“Insider” Tips



- Pay attention to deadlines!!!!
- Keep copies of your work
- “Guess-timate” on your applications – Deadlines trump 100% accuracy!
- If you have questions, ask!
- Don’t rule out a school just because of its cost
- Contact school if information or situation changes or the forms don’t accurately reflect your circumstances



Resources

- Higher Education Information Center:
1-800-442-1171
- Federal Student Aid Center - FAFSA Processing:
1-800-4-FEDAID
- College Scholarship Service Profile Processing:
1-305-829-9793 or help@cssprofile.org
- Each college's financial aid office
- Your high school guidance office





Websites

- www.fafsa.gov
- www.pin.ed.gov
- www.fastweb.com
- www.collegeboard.org
- www.finaid.org
- www.studentaid.ed.gov
- www.collegenavigator.gov



Need more help?



- One-on-one assistance with FAFSA, in person
- No charge
- <http://www.fafsaday.org> to find a location in Massachusetts near you
 - Sunday, January 26
 - Sunday, February 23



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Thank you!



Any Questions?