College Financial Aid Night

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Tonight's Agenda

1. FAFSA update for 2017-2018

2. Sources & Types of Financial Aid

3. Financial Aid Applications

4. Determining Eligibility

5. Net Price Calculator

6. Student Loans

7. Outside Scholarships

8. Questions to Ask

9. Financial Aid Resources

FAFSA Update 2017-2018 Academic Year

"Old" FAFSA	New Prior-Prior FAFSA
• Available January of student's senior year	• Available October of student's senior year
• Use taxes from year prior	• Use taxes from two years prior
◦ Student enters college Fall 2016, report 2015 tax information	◦ Student enters college Fall 2017, report 2015 tax information
◦ Make corrections once taxes are filed	◦ Taxes have been filed
• College enrollment deadline before you may have accurate financial aid information	• Allows more time to consider the financial aspect of college decision

Sources & Types of Financial Aid

- ## Grants & Scholarships
  - Free, sometimes referred to as gift aid

- ## Work-Study Program
  - Earned in a paycheck as the student works

- ## Federal Stafford Loans
  - *Subsidized*: no interest while enrolled
  - *Unsubsidized*: interest accrues while enrolled
    - **Repaid**, however, no payment due on either loan while enrolled

Read your award package carefully! Understand what is free, what is earned, and what is repaid.

Financial Aid Applications

- ## Free Application for Federal Student Aid (FAFSA)
  - Required for Federal & State Aid
    - fafsa.ed.gov

- ## CSS Profile
  - **Not** used by every college; primarily only by private colleges
    - css.collegeboard.org

- ## Institutional Applications
  - Check school publications and websites

- ## Deadlines
  - Each school may have their own deadlines
  - Submit two weeks before earliest deadline
    - **February 15th Deadline - Submit by February 1st**

Federal Student Aid ID (FSA ID)

- Gives you access to Federal Student Aid's online systems
  - Serves as your legal, electronic signature for FAFSA, Federal Stafford Loans and Federal Parent Loans.
  - Replaces the Federal Student AID PIN (used from 1998-2015)

- Students **and** *at least* one parent need an FSA ID.
  - Specific to each individual, i.e. if you have more than one student in college, a parent only has one FSA ID

- Create FSA ID
  - fsaid.ed.gov
  - Name, SSN, date of birth, mailing address, email address & phone number
    - Students should not use a high school email address
    - Must match the information on file with the Social Security Administration (SSA)

Free Application for Federal Student Aid

FAFSA Basics

- fafsa.ed.gov ← **not** ".com"

- 2017-2018 FAFSA will be available 10/1/16

- Creates eligibility for Federal & State Financial Aid

- Submitted each year the student is in school

- 1 FAFSA per student, not per family

- No cost to complete FAFSA

Information Requested

- Parent & Student 2015 tax information
  - If eligible, use data retrieval tool, otherwise enter manually
  - If divorced/separated, use custodial parent information

- Information on savings & checking account balances; investments, including stocks and bonds

- Will take into account more than 1 student in college

Data Retrieval Tool (DRT)

- Transfer parent & student tax data directly into FAFSA from the IRS
  1. On "Parent Financial Information" page, answer DRT eligibility questions
  2. Enter Parent's FSA ID & Click "Link to IRS" (*will leave the FAFSA website*)
  3. Submit IRS information & select "Transfer My Information into the FAFSA"
  4. Repeat for student tax filers on "Student Financial Information" page

- If unable to use DRT, enter information manually
  - Current unable to use DRT if, on 2015 taxes:
    - Married and filed as Married Filing Separately
    - Married and filed as Head of Household
    - Filed a Form 1040X amended tax return
    - Filed a Puerto Rican or foreign tax return

After Submitting the FAFSA

- Review the Student Aid Report for errors
  - If necessary, make corrections and resubmit FAFSA
  - If selected for verification, a notification will be present
    - You may be required to submit tax transcripts and/or other forms for verification purposes to the school
    - **If selected, financial aid awards are tentative until verification is complete**

- If 2015 tax information is not representative of current income
  - Contact each school about appeal/professional judgment
    - Do not alter FAFSA information on your own

CSS Profile Application

CSS Profile Basics

- css.collegeboard.org
  - Overview of application
  - Link to start your CSS Profile

- Available 10/1/16

- Used to determine eligibility for institution specific funding

- May not be required each year, depends on institution

- 1 CSS Profile per student, not per family

- $25 to complete one CSS Profile, $16 each additional application

Information Requested

- Parent & Student 2015 tax information
  - Enter information manually
  - If divorced/separated, use custodial parent information
    - Some schools may require Non-Custodial Profile Form

- Will ask for other financial information including assets, medical debt & expenses

- Will take into account more than 1 student in college

Determining Eligibility

Cost of Attendance

- Federal EFC

_____

Financial Need

The Cost of Attendance

- ## Direct Costs
  - ○ Tuition and required fees
  - ○ Room and board for resident students

- ## Indirect Costs
  - ○ Books and supplies
  - ○ Transportation to and from campus
  - ○ Miscellaneous personal expenses

Direct Costs → Indirect Costs → Total Cost of Attendance

Expected Family Contribution (EFC)

- The EFC is calculated according to a formula established by law
  - The formula considers financial information reported on a student's FAFSA, along with family size and the number of family members who will attend college during the year.
  - Subject to federal verification

- Used to calculate the amount of federal financial aid a student is eligible to receive

- **The EFC is not a guarantee of the dollar amount a student will pay to attend college**
  - Net Cost of each college is subject to Federal, State & individual school funding

Eligibility for Financial Aid

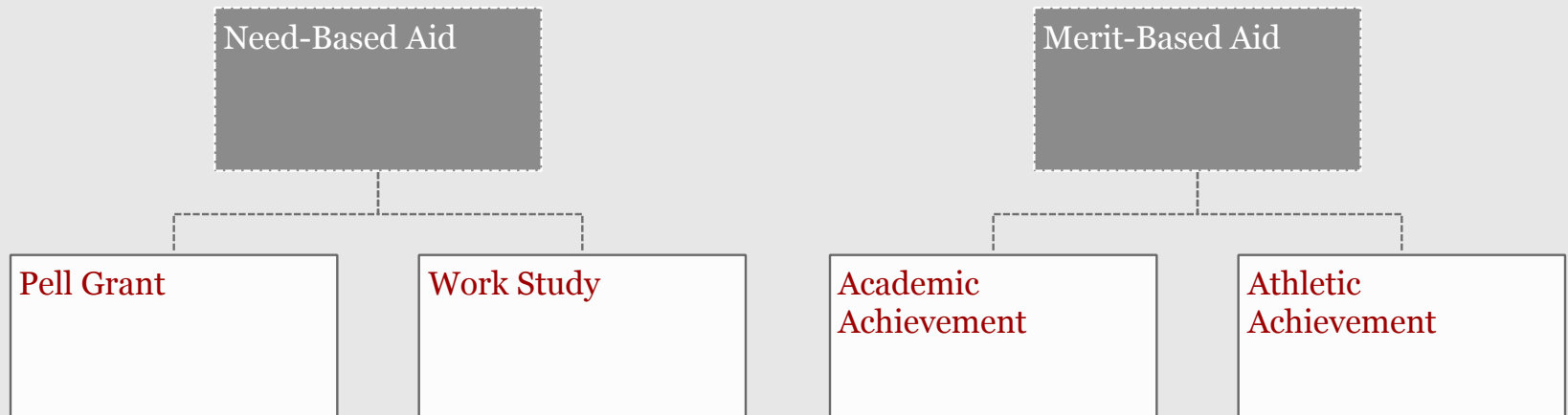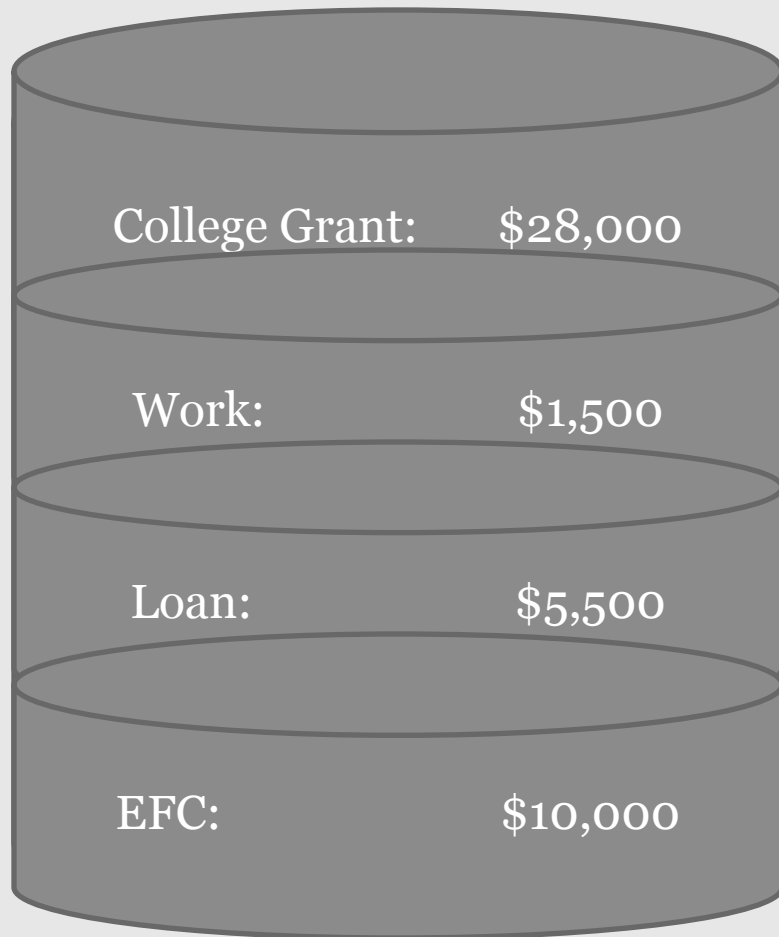|	4 Year Private	4 Year Public
Total Cost	$45,000	$22,000
- Federal EFC	$10,000	$10,000
= Financial Need	$35,000	$12,000

Need-Based vs. Merit Based

- Need-based aid is subject to a student's demonstrated financial need. Merit-based aid considers achievement, talent & participation, regardless of financial need.
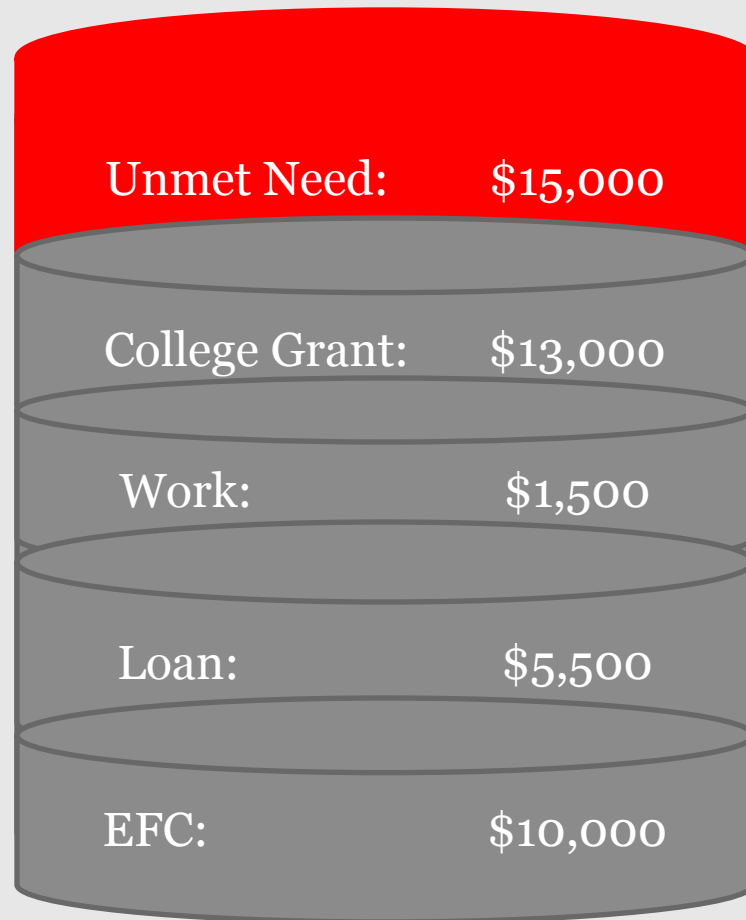
Need-Based Aid		Merit-Based Aid	
Pell Grant	Work Study	Academic Achievement	Athletic Achievement

The Financial Aid Award Package

Total Cost = $45,000

College Grant: $28,000

Work: $1,500

Loan: $5,500

EFC: $10,000

Total Cost = $45,000

Unmet Need: $15,000

College Grant: $13,000

Work: $1,500

Loan: $5,500

EFC: $10,000

The Financial Aid Award Package

Total Cost = $45,000

College Grant: $28,000

Work: $1,500

Loan: $5,500

EFC: $10,000

Total Cost = $45,000

Actual Cost after Merit: $7,000

Academic: $18,000
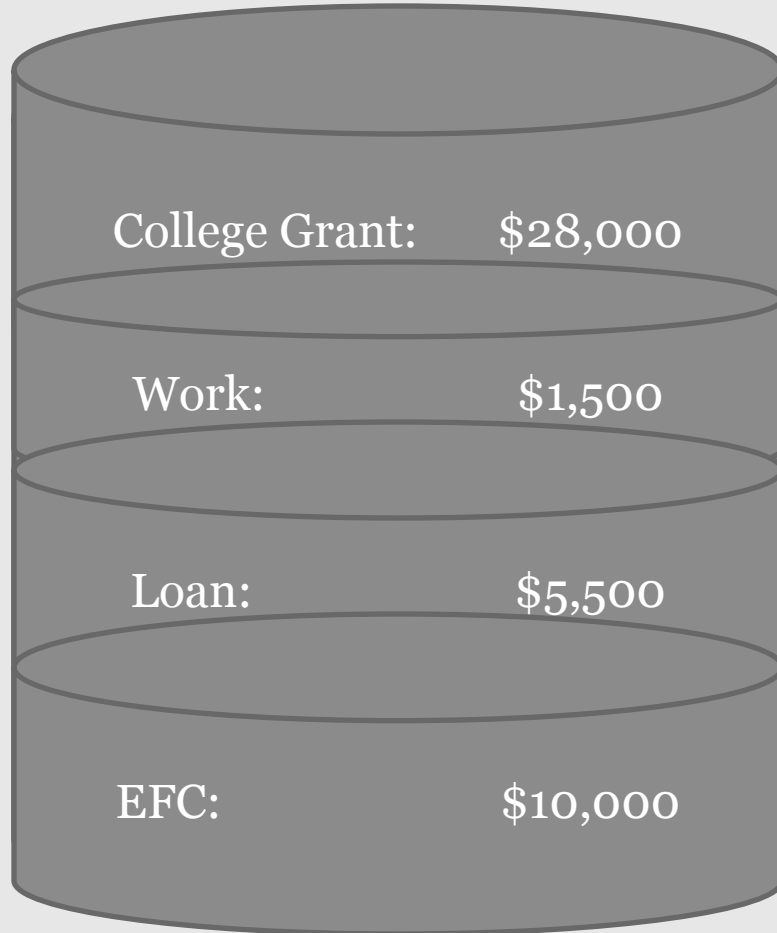
Athletic: $20,000
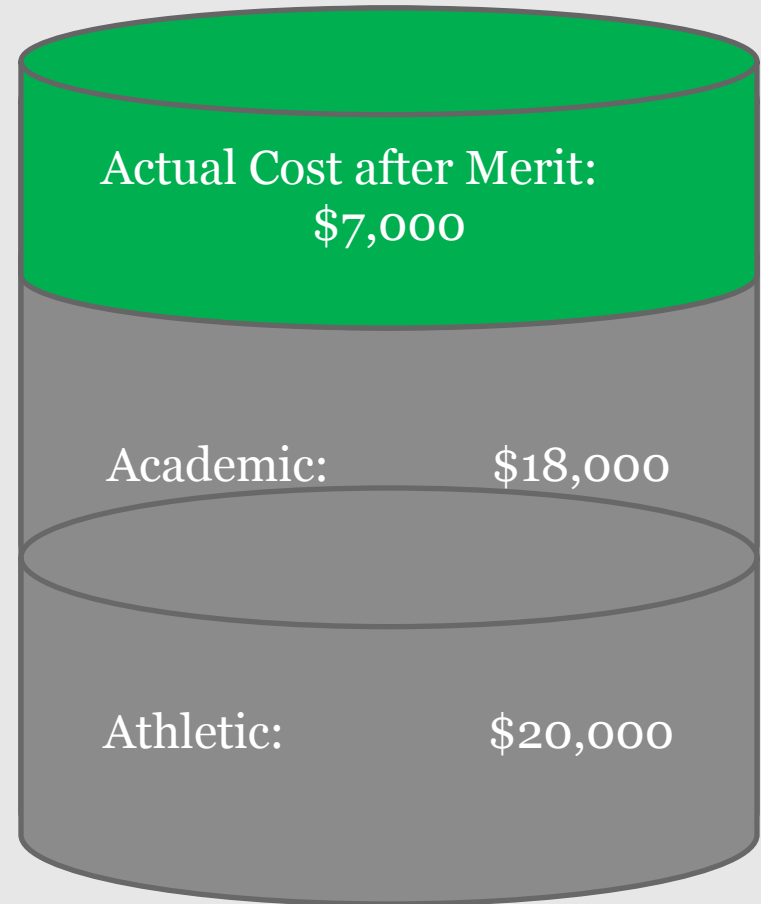
Net Price Calculator

What is it?

- Allows for an _estimate_ of your expenses and financial aid possibilities from each institution

- Not a guaranteed award

- Intended to help families understand out-of-pocket expenses earlier in the application process

Information Requested

- Financials from Parent & Student 2015 Tax Returns

- Earnings statements (W2 forms, recent paycheck stubs)

- Bank statements

- Student academic information

Student Loans

Options

- Stafford Loans
  - Solely in the student's name
  - Subsidized/Unsubsidized Stafford
  - No credit check, student cannot be in default on a previous loan

- Private Loans
  - Student will need a co-signer
  - Requires credit check

- Parent Loans
  - Solely in the parent's name
  - Requires credit check

What to Consider

Loan Repayment Calculator

Loan Balance:	20,000
Interest Rate:	6.8% choose rate
Loan Fees:	0.0%
Loan Term (Years):	10 choose extended term
Minimum Payment:	$50
Enrollment Status:	In Repayment
Degree Program:	Bachelor's Degree
Total Years in College:	4
Print payment schedule?	○ Yes ◉ No

CALCULATE

http://www.finaid.org/calculators/loanpayments.phtml

Outside Scholarships

- Consider making a specific email account
  - Morganscholarships@gmail.com

- Look for opportunities where there will be less applicants
  - Start with town, then county, then state, then national
  - Specific major, ancestry, or participation

- Notify college when you win a scholarship
  - May reduce current award from school

Potential Sources

- Guidance Office

- Local Businesses

- Civic and Community Organizations

- Ethnic & Cultural Organizations

- Parents' Employer

- Churches/Religious Groups

Outside Scholarships

- Fast Web
  - www.fastweb.com

- School Soup
  - www.schoolsoup.com

- Admission Hook
  - http://www.admissionhook.com/

- Scholarship America
  - www.scholarshipamerica.org

- Tuition Funding Sources
  - http://www.tuitionfundingsources.com/

- Should not pay for these applications

- May require information from financial aid forms
  - Expected Family Contribution

- Renewal varies based on award

Questions to ask and *not* assume!

- When will I receive my financial aid award?

- How do outside awards affect the aid package?

- What is the school's policy on non-custodial parents?

- Are the scholarships/grants renewable each year?

- What happens if financial circumstances change?

Financial Aid Resources

- www.irs.gov/transcript To request a copy of your Tax Return Transcript (if unable to use data retrieval tool on FAFSA)

- studentloans.gov To completed Stafford Loan paperwork and Apply for Plus Loans

- www.nasfaa.org Consumer tips for parents and students as well as financial aid tools for completing required applications

- studentaid.ed.gov An Office of the U.S. Department of Education

- www.ctohe.org The Connecticut Office of Higher Education