

# Q&A College Admissions

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## Financial Aid Basics

# Topics

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- Financial Aid vs. Merit
- Forms and Deadlines
- IRS Data Retrieval
- Expected Family Contribution (EFC)
- Financial Need
- Aid Types
- Award Notification
- Special Circumstances
- Net Price Calculator
- Outside Resources
- Questions

# What's the Difference?

## Financial Aid

- Need Based
- Methodology determined by Government
- Evaluated by each college Financial Aid Department
- Package may be a combination of federal Grants, Loans, Work Study

## Merit Money

- Based on Academic Performance
- Determined by College
- Evaluated by each college Admissions Department
- Often only the application is used
- Some schools have scholarships that require separate forms

# Forms

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## Forms needed to apply for financial aid

- FAFSA (Free Application for Federal Student Aid); All schools require this form - Open for filing on October 1st
- CSS PROFILE required by most private schools
- Cal Grant - Ca Residents only

# Form Deadlines

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Early Decision deadlines may be as early as November 1, 2018

Early Action deadlines may be as early as December 1, 2018

Regular Decision deadlines may be as early as February 1, 2019

# FAFSA-Free Application for Federal Student Aid

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- FAFSA on the Web (FOTW) [www.fafsa.gov](http://www.fafsa.gov)
- No application fee
- Required by all institutions for federal aid eligibility
- Should file electronically
- Required for Federal PLUS loan

# Filing

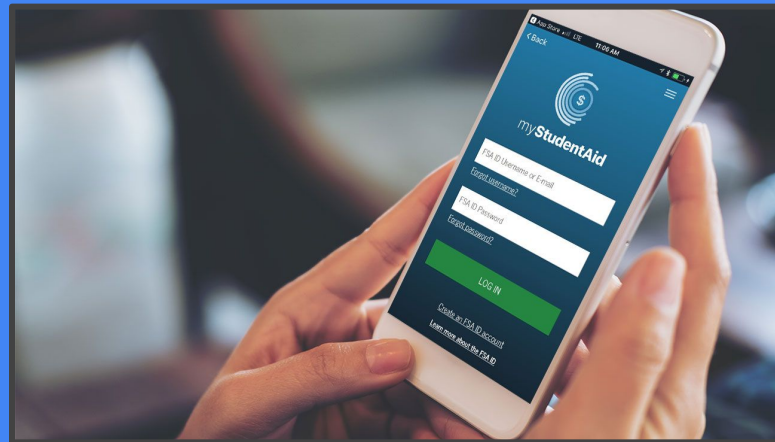
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- Use Tax Data Retrieval for 2017 tax data at the time of filing.
- Meet the deadlines. Do not wait for your student to be admitted as you may miss an important deadline.
- New FAFSA Mobile App!

At midnight, October 1 - The rush begins!

## "My Student Aid" App Available 10/1

That's when first-time and returning college students can get their first look at the 2019-'20 FAFSA, the Free Application for Federal Student Aid. This year, in an effort to make it easier, the U.S. Department of Education has given the FAFSA a new look





# Signature Requirements

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- Both parent and student will need a Federal Student Aid ID (FSA ID) to electronically sign the application and you must use separate email addresses to set up the FSA ID.
- Apply for the FSA ID prior to starting the application: <https://fsaid.ed.gov>
- Will be used by students and parents throughout aid process, including subsequent school years

# IRS Data Retrieval

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- While completing FAFSA, applicant may submit real-time request to IRS for tax data
- IRS will authenticate taxpayer's identity
- If match found, IRS sends real-time results to applicant in new browser window
- Applicant chooses whether or not to transfer data to FAFSA

# IRS Data Retrieval

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- Available early October 1 for 2018–19 processing cycle
- If families choose not to use IRS Data Retrieval process, schools will require each family to request and submit official IRS tax transcripts

# IRS Data Retrieval

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Unable to use IRS Data Retrieval if you meet the following criteria and will need to submit a Tax Return Transcript:

- You file with a tax status of married filing separately
- You indicate you will not file a tax return
- You file an amended tax return
- You file a Puerto Rican or foreign tax return
- Parent(s) report all zeros for SSN
- Student uses an 888 identifier for SSN
- Marital status has changed

# TIP: Add schools receiving the FAFSA **Alphabetically**

All colleges will see the list and they may try to game the process and figure out how interested a student is in attending and it may influence the financial aid award.

# CSS PROFILE

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- [www.collegeboard.com](http://www.collegeboard.com)
- \$25 application fee and \$16 charge for each school listed
- Used by most private colleges to award institutional funds
- Approximately 300 questions
- Must be filed electronically
- **Deadlines vary - check with each college!!!**

# Cal Grant

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- California Residents only
- Must be filed by March 2, either by the school or by the student.
- To be considered for a 2019-20 Cal Grant award, you must have completed:
  - Submitted a 2019-20 Free Application for Federal Student Aid (FAFSA) or a 2019-20 California Dream Act Application (CADAA). *(Available October 1, 2018)*
  - Ensured that a certified Grade Point Average (GPA) was submitted to the California Student Aid Commission (Commission).

California law requires that by, October 1, 2018, all public and charter high schools electronically upload GPAs for current enrolled seniors that do not opt-out.

# What is the EFC?

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- EFC = Expected Family Contribution
- Minimum amount family can be expected to contribute (discretionary income, borrowing ability, assets).



# What is the EFC?

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- Two components
  - Parent contribution
  - Student contribution
- Calculated using data from both the PROFILE and FAFSA
- EFC calculation may differ from school to school

# Financial Need

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Cost of Attendance

***Minus*** Expected Family Contribution

***Equals*** Financial Need

# Financial Need: An Example

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Tuition 41,776

Room/Board 14,990

Estimated Books 1,200

Estimated Personal Expenses 1,952

Direct Loan Fee 72

Cost of Attendance 59,990

**Minus EFC** 20,000

*Equals* Financial Need 30,990

# Types of Financial Aid- Scholarships

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- Scholarships are typically not based on financial need
- Academic or talent components
- Require full time enrollment and cumulative GPA for renewal
- Do not need to be repaid

# Types of Financial Aid- Grants

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- Grants – federal, state, institutional aid based on financial need and are not repaid
- Federal Pell Grants, Federal SEOG (EFC < 5235)
- Cal Grant

# Types of Financial Aid- Grants

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- Institutional Grants—normally limited options at public institutions. Private institutions will have more resources – but not all schools have the same level of funding to spend
- Awards may change from year to year if financial need changes

# Types of Financial Aid - Loans

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- Loans – federal and private loans. Some require financial need and are repaid with interest
- Federal Direct Subsidized and Unsubsidized Loans
  - Subsidized is need based and interest does not accrue while the student attends at least half time. Current interest rate is 4.45%
  - Unsubsidized is not based on need and interest does accrue immediately. Current interest rate is 5.05%

# Types of Financial Aid - Loans

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- Federal Direct PLUS Loan
  - Federal loan program to help parents meet their EFC. Maximum eligibility is cost of attendance minus aid. Current interest rate is fixed at 5.05%



# Types of Financial Aid - Loans

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- Private, Alternative Loans
  - Loan programs that allow students to meet their educational costs
  - Require a cosigner and the student must be 18
  - Interest rates are typically variable and are based on co-signer's credit worthiness
  - Maximum eligibility is cost of attendance minus aid

# Average Student Loan Debt 2017

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- The average student loan debt for Class of 2017 graduates was \$39,400, up six percent from the previous year.
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- **TIP: Never borrow more than you think your starting salary out of college will be.**
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- Expect to pay 10% of your salary for 10 years

# Types of Financial Aid - Employment

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- Employment Opportunities
- Federal Work Study based on financial need
- Schools may have their own work program
- Students normally work 8-10 hours a week and are paid directly for any hours worked

# Award Notification

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- Financial aid packages are released once all forms have been submitted and the student has been accepted for admission
  - Single release date
  - Rolling release

# Special Circumstances

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- Cannot be documented on the FAFSA, but the CSS Profile allows for brief explanation
- Send written explanation and documentation to each financial aid office (Email is best it acts as a record)
- College will review and request additional information if necessary
- Decisions are final and cannot be appealed to U.S. Department of Education

# Special Circumstances

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Circumstances we are able to consider:

- Change in employment status
- Medical expenses not covered by insurance if greater than 11% of income
- Change in parent marital status
- Unusual dependent care expenses

# Special Circumstances

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Circumstances colleges are unable to consider:

- Consumer debt
- Inability to liquidate assets
- Cash flow problems

# Appeal of Aid Package

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- Aid package is an *offer*
- Aid packages are not negotiable, nor do colleges compete with other aid offers
- Most colleges do have an appeal process
- Nothing to lose, but be prepared as the answer may be no



# Net Price Calculator

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- Mandated by the Department of Education
- All schools must have on their website
- ***Estimated*** information only and does not guarantee financial aid

# Outside Scholarships

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- Explore outside agencies and local organizations for awards
- Start Local - Go Global
- Check with your employer
- [www.fastweb.com](http://www.fastweb.com) or [wiredscholar.com](http://wiredscholar.com)
- Scholarship Books
  - *Kaplan Scholarships*
  - *Peterson's Scholarships, Grants & Prizes*

# Future Years

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- Changes coming for 2017-2018
  - PPY (Prior Prior Year); Right now FAFSA is filed on PY (Prior Year)
  - FAFSA to be filed for 2017-2018 on actual 2015 income information
  - Colleges and universities are still working on the details of how this may impact the timeline for awarding and deadlines

# Links and Resources

FAFSA - [fafsa.ed.gov](https://fafsa.ed.gov)

FAFSA WORKSHEET -  
[fafsa.ed.gov/fotw1819/pdf/fafsaws18c.pdf](https://fafsa.ed.gov/fotw1819/pdf/fafsaws18c.pdf)

CSS Profile [cssprofile.collegeboard.org/](https://cssprofile.collegeboard.org/)

Cal Grant  
[csac.ca.gov/how-apply](https://csac.ca.gov/how-apply)

FinAid Help site: <http://www.finaid.org/>

# BUYER BEWARE!

## You Don't Have to Pay for Help Finding Money for College

Commercial financial aid advice services can cost well over \$1,000. Now, simply charging for help or information that's available for free elsewhere is not fraudulent. However, if a company doesn't deliver what it promises, it's scamming you.

If you're unsure whether to pay a company for help finding financial aid, stop and think for a minute: What's being offered? Is the service going to be worth your money? Do the claims seem too good to be true? You might have heard or seen these claims at seminars, over the phone from telemarketers, or online:

- "Buy now or miss this opportunity." Don't give in to pressure tactics. Remember, the "opportunity" is a chance to pay for information you could find yourself for free.
- "We guarantee you'll get aid." A company could claim it fulfilled its promise if you were offered student loans or a \$200 scholarship. Is that worth a fee of \$1,000 or more?
- "I've got aid for you; give me your credit card or bank account number." Never give out a credit card or bank account number unless you know the organization you are giving it to is legitimate. You could be putting yourself at risk of identity theft.