

Welcome Parents and Students!

Understanding the College Financial Aid Process

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Topics To Be Covered:

- What Financial Aid forms to file and when
- The definition of financial aid
- How the financial aid forms are used
- Types of financial aid available
- Bridging the gap (alternative financing)
- Helpful hints on searching for scholarships
- Questions

Financial Aid Lingo

- FAFSA – FREE Application for Federal Student Aid
- SAR – Student Aid Report
- CSS – College Scholarship Search – College Board
- FSA ID – Personal Identification Number assigned to student and one parent and used to sign the FAFSA
- COA – Cost of Attendance
- EFC – Expected Family Contribution
- Verification – The process by which colleges are required by the DOE to collect all documents used to complete the FAFSA to determine its' accuracy

Financial Aid Forms

1. FAFSA – All institutions require the FAFSA
2. CSS Profile – Many private institutions require this form
3. Institutional applications – it's your job to know what applications are required

Who Qualifies for Financial Aid?

- **Students and their family(ies) have the primary responsibility to pay for college.**
- **Sacrifice is assumed.**
- **Financial aid assessment is NOT a cash flow analysis but rather an evaluation of an individual family's economic strength.**
- **The contribution is determined by a standard formula that assesses a family's ability to pay.**
- **Willingness is not a factor.**

FAFSA

- Free Application for Federal Student Aid
- Determines amount of **Federal Aid** you may be eligible for.
- Federal Aid can consist of: Grants, Loans and Work-Study.
- Based on parent and student 2018 income and asset information (Prior Prior Year)
- Can send forms to multiple institutions.
- Available only online at www.fafsa.gov
- Available October 1, 2019

FAFSA Filing Tips

- SSN, DOB, Selective Service, Full Name
- **Number in College!?**
- Step-parent information
- Data Retrieval Tool (DRT)*
- Sign with FSA ID
- Assets & Investments
- Apply every year if interested in aid
- Distributions (IRA, pension, etc.)
- *The Internal Revenue Service Data Retrieval Tool (IRS DRT) is available to use with the 2020–21 FAFSA Form. Additional security and privacy protections have been added to address concerns that data from the tool could be used by identity thieves to file fraudulent tax returns. The IRS DRT remains the fastest, most accurate way to input your tax return information into the FAFSA form.

CSS Profile

- Asks for more detailed info than FAFSA.
- \$25 for the initial application, incl. registration and one report; subsequent reports \$16 per school
- Fee waiver may be available
- Available online only at www.profileonline.collegeboard.com
- Available October 1, 2019

What is Financial Aid ?

- Financial assistance from:
 - Federal & state governments
 - Colleges & Universities
 - Lending Institutions
 - Outside agencies
- In the form of:
 - Student loans
 - Parent loans
 - Grants
 - Scholarships
 - Work-Study

EFC

Expected Family Contribution

- \$ amount parents and students are expected to contribute towards COA (cost of attendance).
- Formula determined by US Congress
- Free Application for Federal Student Aid (FAFSA) determines the EFC
- The EFC will be printed on your Student Aid Report (SAR)

Calculating Your Eligibility

Cost of Attendance (COA)

$$\begin{aligned} & - \text{Expected Family Contribution (EFC)} \\ & = \text{NEED (not aid amount)} \end{aligned}$$

- Cost of Attendance (COA)
- Tuition and Fees
- Room and Board
- Books and Supplies
- Transportation
- Personal Expenses

**Note: Most colleges will NOT meet
100% of your demonstrated need!**

“No Need”

- ❖ If the calculated EFC is equal to or greater than the COA, then the student is determined to have “no need”.
- ❖ The student can borrow under the **unsubsidized federal Direct Student Loan** program.
- ❖ **Parent PLUS** loans are NOT *student aid* and can be used regardless of “financial need”.

Gift Aid

- Grants and Scholarships
- Federal
- State
- Institutional
- Private

Self-Help Aid

LOANS

- Federal Direct Loans*
- Federal PLUS Loan*
- Federal Nursing Loan*
(offered by some schools)

Interest Rates: 2019-2020

Subsidized: 4.53%

Unsubsidized: 4.53%

PLUS Loan: 7.08%

Nursing Loan: 5%

EMPLOYMENT

- Federal Work-Study

- *You must have a FAFSA on file to receive these loans.

Bridging the Gap

So what happens when financial aid doesn't cover all of my costs?

- Tuition payment plans
- Alternative loans
- Outside scholarships
- RA benefits
- Savings plans (529's, CHET, etc.)

Be Cautious of Scholarship Scams

- “The scholarship is guaranteed or your money back..”
- “You can’t get this information anywhere else.”
- “I just need your credit card or bank account number to hold this scholarship.”
- “We’ll do all the work.”

Know All Deadlines and What Forms You Have to File!!

- ***Students*** are responsible to be aware of all deadlines associated with their Financial Aid forms each year!!
- Check the websites for schools you apply to, they may need additional forms or have specific deadlines for filing!!

Useful Information

- Federal Student Aid www.studentaid.gov
 - FAFSA www.fafsa.gov
 - General Info www.finaid.org
 - Calculators www.finaid.org/calculators
 - CT Dept. of Education www.ctdhe.org
 - IRS www.irs.gov
 - Fastweb www.fastweb.com
 - College Board www.collegeboard.org
 - Federal Student Loans www.studentloans.gov
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- 1-800-4 FED AID - Dept. of Ed Hotline

Take a lesson from Sue...

- <https://www.youtube.com/watch?v=ZkIiaYA6Ark>
- Don't miss your deadlines!

As Ben Franklin said:



An investment
in knowledge
pays the best
interest.

B. Franklin

Thank You and Good Luck!

Questions?