#### Welcome Parents and Students!

# Understanding the College Financial Aid Process

October 2, 2018

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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

# 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

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 2017 income and asset information (Prior Prior Year)
- Can send forms to multiple institutions.
- Available only online at <u>www.fafsa.ed.gov</u>
- Available October 1, 2018

# FAFSA Filing Tips

- SSN, DOB, Selective Service,
   Number in College!?
   Full Name
- Data Retrieval Tool (DRT)
- Assets & Investments
- Distributions (IRA, pension, etc.)

- Step-parent information
- Sign with FSA ID
- Apply every year if interested in aid

#### 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, 2018

#### 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)

- Expected Family Contribution (EFC)
  - = NEED (not aid amount)

- 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)

#### **EMPLOYMENT**

Federal Work-Study

Interest Rates: 2018-2019

Subsidized: 5.05%

Unsubsidized: 5.05%

PLUS Loan: 7.6%

Nursing Loan: 5%

 \*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 <u>All</u> 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

FAFSA

General Info

Calculators

CT Dept. of Education

IRS

Fastweb

College Board

Federal Student Loans

www.studentaid.gov

www.fafsa.gov

www.finaid.org

www.finaid.org/calculators

www.ctdhe.org

www.irs.gov

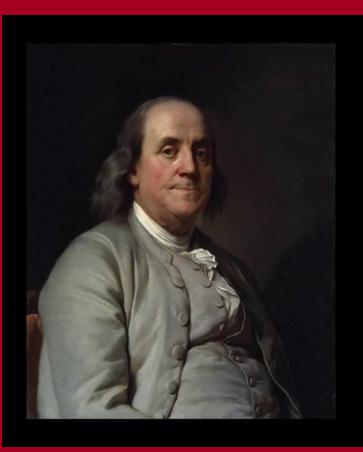
www.fastweb.com

www.collegeboard.org

www.studentloans.gov

• 1-800-4 FED AID - Dept. of Ed Hotline

#### As Ben Franklin said:



An investment in knowledge pays the best interest.



### Thank You and Good Luck!

Questions?