

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

FAFSA Filing Tips

- SSN, DOB, Selective Service, Full Name
- **Number in College!?**
- Data Retrieval Tool (DRT)
- Step-parent information
- Assets & Investments
- Sign with FSA ID
- Distributions (IRA, pension, etc.)
- 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)

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

- 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: 2018-2019

Subsidized: 5.05%

Unsubsidized: 5.05%

PLUS Loan: 7.6%

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

As Ben Franklin said:



An investment
in knowledge
pays the best
interest.

B. Franklin

Thank You and Good Luck!

Questions?