

Hingham High School

2010-11

Making \$ense Of **Financial Aid**

Betsy Eckel Scola

Associate Director of Financial Aid

Providence College

December 1, 2009

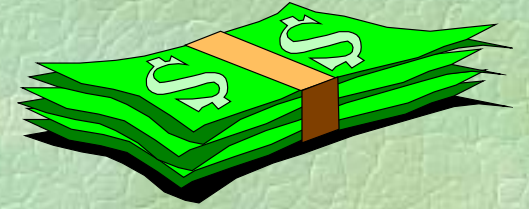
Agenda

- Tips
- Types of Aid
- Sources of Aid
- Time Line
- Applying for Financial Aid
- Demonstrating Need
- Sample Packages
- Alternative Financing



Tips on Getting Started

- Keep track of deadlines
- Don't wait to hear if you're accepted
- Always follow up on application materials
- Keep copies of **EVERYTHING** submitted
- Put student's name and ID number on all documents
- Involve the student



Types of Financial Aid

- Gift Aid (Merit vs. Need)
 - Grants and Scholarships
 - Money that doesn't have to be paid back!
- Loan Aid
 - Borrowed Money
 - Low interest rates
 - Repayment after graduation
- Employment Aid
 - Wages earned from a job

Sources of Financial Aid

- Federal Government (federalstudentaid.ed.gov)
 - Pell Grant: EFC < 4618, max = \$5350
 - ACG: Pell eligible, rigorous HS program, freshmen = \$750, sophomore = \$1300
 - SEOG: Pell eligible, max = \$4000
 - TEACH Grant: \$4000, turns into a loan if student doesn't go into teaching
 - Perkins Loan (5%): max = \$5500
 - Stafford Loan (subsidized 5.6%) : fresh = \$3500, soph = \$4500, jr and sr = \$5500. All can get \$2000 unsubsidized (6.8%).
 - Work Study: between \$1200 - \$2000, must find job and work to earn

More Sources of Financial Aid

- **State Government** (www.osfa.mass.edu)
 - MASS Grant
 - must be Pell eligible
 - can take to any New England state
 - FAFSA deadline = May 1
 - MA Gilbert Grant
 - must use at a college in MA
 - MA No Interest Loan
 - must use at a college in MA
 - Variety of scholarships and tuition waivers
- **Colleges and Universities**
 - Scholarships, Grants, Loans, Work
- **Private Agencies**
 - “Outside Scholarships”
 - Alternative Loans

Time Line

December

- Mail Admissions applications

January

- Complete and send financial aid applications, check with Admissions Offices to insure file is complete

February

- Check with Financial Aid Offices to insure file is complete

Time Line (continued)...

March

- Applications are processed

April

- Decisions and aid packages are mailed

May

- Make personal decision, send enrollment deposit May 1

July

- Fall semester bills are mailed, usually due Aug. 1

Applying For Aid

- 2010-2011 FAFSA (Free Application for Federal Student Aid)
 - www.fafsa.ed.gov **NOT** fafsa.com
 - Required by all colleges and universities
 - Determines eligibility for Federal and State Aid
 - Can start to complete Jan. 1
 - Students and parents can apply for a PIN now at www.pin.ed.gov, need this to sign FAFSA electronically
 - Completed by Custodial Parent (and Stepparent, if applicable) and Student
 - Only fill out once per child, can send to 10 schools
 - Parents with multiple children in college can transfer info
 - Can print out FAFSA on the Web Worksheet first
 - Online help for each question and edit checks
 - Can save and go back to it
 - Use correct Soc. Sec. Numbers (student vs. parent)
 - Will get Student Aid Report (SAR) back via e-mail
 - Make corrections, add more schools

Applying for Aid (cont.)

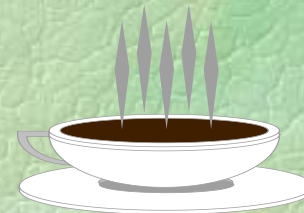
- 2010-2011 CSS PROFILE (www.collegeboard.com)
 - Can print Pre-Application Worksheet
 - \$25 for first school, \$16 for every other school
 - Fee waivers awarded based on financial information provided
 - Can pay with credit/debit card or online check
 - Required by some private colleges (list of schools is on the College Board website)
 - Determines eligibility for Institutional Aid
 - Completed by Custodial Parent (and Stepparent, if applicable) and Student
 - Online help available
 - Automated online editing
 - After Jan. 1, online FAFSA worksheet provided
 - Receive online CSS Acknowledgement
 - Can't make corrections online

Applying for Aid (cont.)

- Institutional Application
 - Required by some colleges and universities
 - Usually part of Admission Application Packet
- Non-Custodial Parent's Statement
 - Completed by the Non-Custodial Parent
 - CSS will send email with link if school using online form (NCP charged \$25)
 - School may use paper form
- 2008 and/or 2009 Federal Personal Tax Return and W2's
- 2008 and/or 2009 Business Tax Return

Tips for completing the Forms

- **You do not have to have 2009 Federal Income Taxes Completed, use estimated figures**
- Gather all information before you sit down
 - Calculator
 - 2008 Federal Tax Return and W-2s
 - Last pay stubs for 2009
 - 2008 Business tax return
 - Untaxed income (i.e. child support, social security benefits)
 - Current bank account balance and interest
 - Current investment and mortgage records
 - Parents' Social Security #'s
 - Student's Driver's License # and Social Security #
 - Cup of coffee
- Answer every question



Expected Family Contribution

- Income plus assets minus allowances for both parent(s) and student
- Federal EFC-the bottom line figure that is calculated from FAFSA
- Institutional EFC-the bottom line figure that is calculated from PROFILE
- EFC calculators available at www.collegeboard.com and www.finaid.org

Demonstrating Need

- $\text{COA} - \text{EFC} = \text{Financial Need}$
- $\text{COA} = \text{Cost of Attendance}$
 - Tuition, Room, Board, fees
 - Books/Supplies, personal, miscellaneous, travel expenses
- $\text{EFC} = \text{Expected Family Contribution}$
 - IS a measure of parent's capacity *over time* to absorb educational costs
 - IS NOT an estimate of 'extra' cash available

PC Cost of Attendance 09-10

Tuition and Fees \$32,320

Room and Board 11,360

Books and Supplies 900

Personal 1,600

Total COA -----
\$46,180

Sample EFC

- Family Info
 - 4 in the family, 1 in college
 - AGI = 100,000
 - Taxes paid = 14,000
 - Cash/Savings/Investments = 38,000
 - Home equity = 200,000
- Federal EFC (FAFSA) = 16,200
- Institutional EFC (Profile) = 23,600

Determining Financial Need

<u>Federal (FAFSA)</u>		<u>Institutional (Profile)</u>	
COA	\$46,180	COA	\$46,180
FM EFC	-16,200	IM EFC	-23,600
-----		-----	
FM Need	\$29,980	IM Need	\$22,580

Note: If the EFC is greater than the COA, than the family has “no need”.

Sample Financial Aid Package Where 'Need' is Met:

Federal Subsidized Stafford Loan	3,500
Federal Unsubsidized Stafford Loan	2,000
Federal Perkins Loan	1,000
Federal Work Study	1,800
PC Grant	14,280

Total Aid Package	\$22,580

COA \$46,180

-EFC \$23,600

Need \$22,580



Sample Financial Aid Package

Where 'Need' is NOT Met:

Federal Subsidized Stafford Loan	\$ 3,500
Federal Unsubsidized Stafford Loan	2,000
Federal Work Study	1,800
PC Grant	12,200

Total Aid Package	\$19,500

COA \$46,180

-EFC 23,620

Need \$22,580

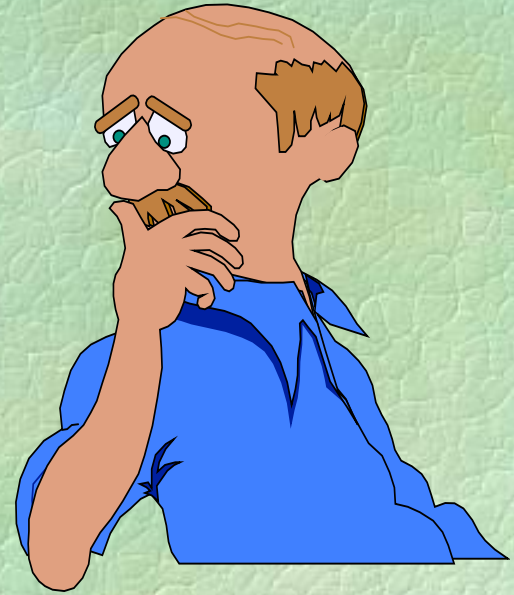
difference between the
Need and the
Financial Aid offered leaves
a 'GAP' of
\$3,080

Why Packages Differ from School to School

- Student has different spot in the applicant pool from school to school
- Cost of schools different
- School using Federal EFC vs. Institutional EFC
- Schools' use of Institutional Methodology is different therefore different Institutional EFC
- Some schools have more money to give out than others

How do I pay my balance?

- Savings/Assets
- Present Income
- Alternative Financing
 - Monthly Payment Plan
 - Home Equity Loan (tax benefits)
 - Parent Loan
 - MEFA Parent Loan (7.75% fixed, www.mefa.org)
 - PLUS (Federal Parent Loan, 7.9% fixed)
 - Alternative Student Loans (need co-signer, very high int. rates)
 - Chase Select
 - CitiAssist Loan
 - Sallie Mae Smart Option Loan
 - Wells Fargo Collegiate Loan



Outside Scholarships

- collegeboard.com
- collegeanswer.com
- collegenet.com
- fastweb.com
- nextstudent.com
- srnexpress.com



Scholarship Scams

- Beware of “for cost” searches -- especially those that guarantee to find scholarships or they’ll refund your money
- If someone says “you've won a prize” and you don't remember entering the contest or submitting an application, be suspicious
- Watch for phrases like “everybody is eligible” or “we apply on your behalf”
- Check for typing and spelling errors, a box # for a return address, no telephone # listed

“I need more help!”

- “Surf the Web”
 - www.finaid.org
 - www.ed.gov
 - www.massmentor.org
- College Goal Sunday – January 31, 2010 -
www.masscollegegoalsunday.org
- Guidance Department
- Betsy Eckel Scola at Providence!
 - (401) 865-2601
 - e-mail: bscola@providence.edu



Questions and Answers



Thank You!

