What is Financial Aid?

- Financial aid consists of <u>all</u> funds provided to students and families to help pay for postsecondary educational expenses

It's all about the

FAFSA

<u>F</u>ree <u>A</u>pplication for <u>F</u>ederal <u>S</u>tudent <u>A</u>id

- <u>F</u>ree <u>A</u>pplication for <u>F</u>ederal <u>S</u>tudent <u>A</u>id
- A standard form that collects demographic and financial information about the student and family
- Filed online at https://fafsa.ed.gov
- Required for all Federal Aid and some states aid
- myStudentAid App

Step 1

- Obtain FSA ID (Federal Student Aid Password/Signature) at: https://FSAID.ed.gov

  - Each student needs their own FSA ID
  - At least one parent needs their own FSA ID

  - 2 step authentication-use smart phone and computer

Step 2

- Fill out all parts of the FAFSA (make sure to answer all questions and when asked, put a zero (0) in for dollar amounts

- You may start filling out the FAFSA October 1

- October 1, 2020 for **2021-2022** use 2019 taxes

- October 1, 2021 for **2022-2023** use 2020 taxes

- IRS Data Retrieval Tool (DRT)-IRS Information links with the FAFSA

More steps

- Step 3
- Receive your Student Aid Report (SAR) via email from the federal processor, summarizing the data provided on the FAFSA.

- The SAR will include your Expected Family Contribution (EFC). This will be the same number/calculation for all schools.

- EFC is an index used to determine government and institutional funds.

- This is not always an accurate picture of what you can afford.
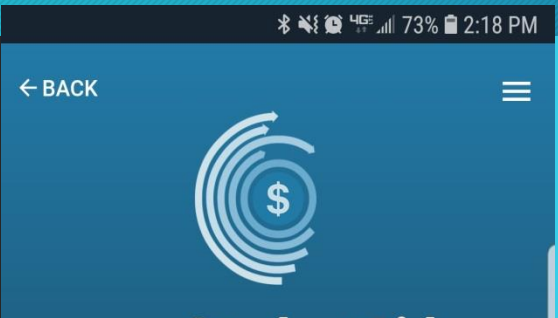
- Step 4
- Make corrections if needed

- Send all requested documents to the College/University your student has chosen

An award Package will now be created for your student by the Financial Aid offices
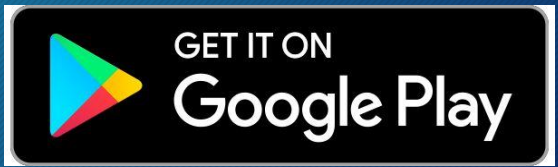
Mobile App now available!

Mobile App

Welcome to myStudentAid
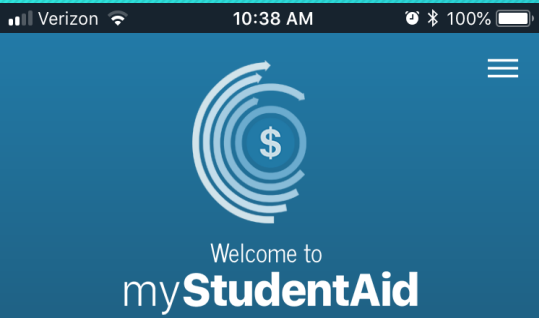
Need money for college?
Submitting the 2018-2019 FAFSA® form is quick, and most importantly, it's FREE.

START HERE

Before You Start

myStudentAid is the official app of Federal Student Aid (FSA), an office of the U.S. Department of Education.

If you want to renew your 2018-19 FAFSA or use the IRS Data Retrieval Tool, you need to complete your FAFSA form on fafsa.gov.

Available on the App Store

Tell us who you are.

I am the **Parent**

I am the **Student**

I am a **Preparer**

← BACK

myStudentAid

FSA ID Username or E-mail

Forgot username?

FSA ID Password

Forgot password?

LOG IN

Create an FSA ID account

Learn more about the FSA ID

GET IT ON Google Play

Welcome to the 2018-2019 FAFSA®!

It's easy to complete, and we promise to guide you the whole way.

Section 1. Student Information	❯

Section 2. School Selection

Section 3. Dependency Status

Section 4. Parent Information

Section 5. Parent Financials

Section 6. Student Financials

NEXT

It looks like parent information is required for us to calculate your Expected Family Contribution (EFC) and determine your financial aid eligibility.

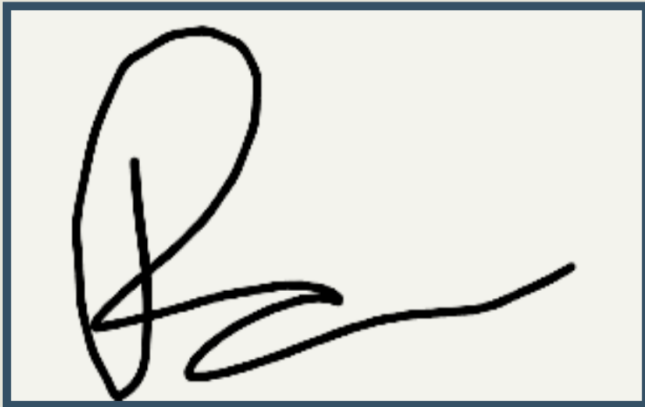Complete your FAFSA® form on **fafsa.gov** if special circumstances prevent you from providing parent information.

NEXT

Student Signature

Ready to sign your FAFSA® form?

Use the box below to record your signature.

[signature]

↺ CLEAR SIGNATURE

SUBMIT

Student Signature Submitted

Student Signature Submitted

Your signature has been accepted

Here's What Happens Next:

- We saved your FAFSA® form so you can log out now and let your parent sign the form.

- After your parent completes this step, we will process your FAFSA® form

HOME

After the student signs, then the parent information will be completed and signed for.

Frequent FAFSA Errors

- Social Security Numbers
- Divorced/widowed/remarried parental information
- Income earned by parents/stepparents
- Untaxed income
- U.S. income taxes paid
- Household size
- Number of household members in college
- Real estate and investment net worth

Financial Aid Terms to Know

EFC

Budget/Costs

Award Package

SAP-Standards of Academic Progress

Dependency Status

Verification

Need

CSS Profile

What is Expected Family Contribution (EFC)?

- Stays the same regardless of college
- Two components
    - Parent contribution
    - Student contribution
- Calculated using data from a federal application form and a federal formula

Budget/
What is Cost of Attendance (COA)?

- There are 5 categories

  - **Tuition and Fees**
  - **Room and meal plan**

    - Direct costs

  - Books and Supplies
  - Transportation
  - Personal Expenses

    - Indirect costs

The total of these categories equals the COA.

The COA less EFC equals need.
Need is used to determine your financial award and will vary from college to college.

Award Package

- all awarded funds from a college types include:
  - Merit Aid
  - Federal
  - State
  - other Institution aid
  - outside scholarships

Satisfactory Academic Progress

- Satisfactory Academic Progress (SAP) is required by all institutions. Students must maintain a certain GPA in order to keep their financial aid and they must have a cumulative 67% passing rate.

- The GPA for institutional aid (merit awards) may be different from the federal requirements. Please check with the school you will be attending.

Dependent/Independent Students

Dependent students must include parental information on the FAFSA.

- Dependent Students are students who **cannot** answer yes to one of the following:
  - Student is at least 24 years old
  - Student is a graduate or professional student
  - Student is married
  - Student is supporting children
  - Student is an orphan or ward of court
  - Student is a veteran of the U.S. Armed Forces

Verification

- 30% to 35% of all FAFSA filers are selected
- Some schools verify 100% of filers
- You may link your taxes to your FAFSA (DRT)
- Documents that may be requested to verify information on the FAFSA
  - Tax transcripts for parents and students
  - Verification worksheet
  - Maybe W-2's Parents and Students

CSS Profile

- Some colleges use this to determine institutional funds
- The cost is $25
- $16 for each additional school
- Very detailed
- Not all schools use all questions

Types of Government Aid

"Free Money"

Loans-Student

Loans-Parent

Work Study

Who is Eligible for Federal Student Aid?

- U.S. citizen or permanent resident
- High school graduate/GED holder
- Eligible degree/certificate program
- Valid Social Security number
- Males registered for Selective Service
- Satisfactory academic progress in college/career school

Federal aid break down

- Pell Grant-Max is $6395 20-21
- FSEOG-to students who qualify for the Pell Grant
- Direct Student Loans-All students, repayment 6 months after student leaves school with a 10 year repayment (other options available)
  - Subsidized- Government subsidizes the interest
  - Unsubsidized-Student subsidizes the interest
- Parent Plus Loan- credit check is done by Federal Government, and repayment may begin after second disbursement. Loan maybe deferred while student is in school
- Federal Work-Study- paid for based on hours worked

State Aid (Maryland Programs)

- Senator
- Delegate
- Guaranteed Access Grant
- Educational Assistance Grant

- Contact Senator / Delegate

- Determined by FAFSA

Deadline is March 1, FAFSA required and include at least one MD School

Applications at https://MHEC.state.md.us

Student must log in and accept award at https://MDCAPS.mhec.state.md.us

Institutional Aid

- <u>Merit aid</u>-funds awarded to students based on grades, extra-curricular activities, and information found on the college application. These amounts are awarded through the admission office.

- <u>Need based</u>-funds are awarded by the Office of Financial Aid

- Other institutional funds may be awarded, however a separate application maybe required. Frequently these funds are "endowed" funds and have certain requirements with them.

VA Benefits

- Federal:
  - Student needs to obtain a "Certificate of Eligibility" from the Veterans Affairs office
    - If the student is the Veteran may need DD-214
  - This is for all Post 9/11 benefits
  - Colmery Forever GI Bill
    - https://www.benefits.va.gov
    - https://www.vets.gov
- State:
  - Edward T. & Mary A. Conroy Memorial Scholarship Program and Jean B. Cryor Memorial Scholarship Program
  - Veterans of the Afghanistan and Iraq Conflicts Scholarship Program

Other Funding Options

- Scholarships and Grants
  - Civic Scholarships and Grant
  - Trusted Scholarship Search Engines
  - Employer assistance

- Private loans
  - Loans from alternative/private sources

- Mortgage Refinance or pay out mortgage

- Retirements Accounts/Loans-401K

Self-Help Aid – Other Loans

- Private Education Loans
  - Also known as supplemental or alternative loans
  - Borrowed by the student or parent
  - Interest begins accruing at disbursement to the school
  - Banks and other lending institutions are the source of the funds
  - Credit-based

  - PROCESS may vary but most are similar
    - Borrower's (and co-signer's) credit will be checked to determine eligibility
    - Application through disbursement may take time, so begin early (usually before August)

  - Compare/shop, and determine what is best for the student and family

Planning ahead

- Students need to remember to account for EVERY year that they will be in school (not just the first year), including graduate/professional school

- Begin saving at ANY time before college, including summers

- Prepare a budget to take into account costs for 4+ years of school
  - Review school "cost of attendance" information

- Be creative; consider all possible ways to fund, including school payment plans to help reduce debt

Outside Scholarships and Grants

- Civic Organizations
- Check with your high school counselors
- Varying amounts, due dates, criteria
  - https://fastweb.com
  - https://myscholly.com
  - www.scholarship.com
  - www.central-scholarship.org
  - www.gocollege.com
  - www.cffredco.org
  - https://collegeboard.org
  - www.cfwcmd.org

Helpful Web Sites:

https://FAFSA.gov
https://FSAID.ed.gov
https://Studentaid.gov
www.mhec.state.md.us
www.hood.edu
https://studentloans.gov
https://sss.gov
https://www.nasfaa.org/State_Financial_Aid_Programs

The Office of Financial Aid

Contact information

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Questions?????