FACT SHEET

Financial Aid

ELECTRONIC FILING IS FASTER AND REDUCES THE NUMBER OF ERRORS YOU MIGHT MAKE. ERRORS TAKE TIME TO CORRECT AND SINCE SOME AID IS FIRST COME-FIRST SERVED, YOU COULD MISS OUT ON VALUABLE COLLEGE MONEY.

THE FSA ID, WHICH CONSISTS OF A USER-CREATED USERNAME, ALLOWS USERS TO ELECTRONICALLY ACCESS PERSONAL INFORMATION ON FEDERAL STUDENT AID WEB SITES AS WELL AS ELECTRONICALLY SIGN A FAFSA.

WHAT YOU NEED TO KNOW

Financial aid is a big topic. This overview covers the most important points, but all serious aid seekers should utilize additional references. Don't get upset if at first you feel confused by the financial aid terminology and procedures involved in attaining it. Keep at it, and your diligence in mastery of the subject will pay big dividends in the long run.

First, what does college cost?
There are many variables that go into figuring the cost of college — who you are, what your family finances look like, what your high school record and test scores are, which college you wish to attend, and so on. Regardless of these differences, however, every school has two types of costs: direct and indirect.

Direct costs include payments made to the college for tuition, room and board in student housing, and any special fees (such as student health services). While direct costs for room and board are somewhat comparable for students at both public and private schools and annually run somewhere between $11,140–$12,680 (if not living at home), tuition and fees for full-time attendance varies greatly—the published averages range from $3,660 at a community college to $10,230 at a state public school or an averge of $35,830 annually at private schools. (2018 CollegeBoard.org survey)

Indirect costs are those not directly paid to the college and can, to some extent, be controlled by the student. Books, transportation, entertainment, and other personal expenses are examples of indirect costs.

While in-state, public school tuitions are definitely a bargain, do not assume that if you select a private school or one located out of state, you will automatically pay more. Good financial aid packages can level the playing field. Apply to a variety of colleges you are interested in, and evaluate the financial aid packages you receive from those who offer you acceptance. Then you will be able to make the smartest, most financially-savvy choice.

IF YOU ARE A FOSTER YOUTH, CHECK FOR POSSIBLE GRANTS IN YOUR STATE TO HELP FUND YOUR COLLEGE EXPENSES.

EVEN IF YOU THINK YOU WON'T QUALIFY FOR NEED-BASED FINANCIAL AID, IT IS ALWAYS BEST TO FILE THE FAFSA - YOUR FAMILY'S FINANCIAL SITUATION COULD CHANGE.

SOME SCHOLARSHIPS AND MERIT-BASED AID AT COLLEGES FIRST REQUIRE STUDENTS TO COMPLETE THE FAFSA.

What Is Financial Aid?

Financial aid is any form of assistance that helps you pay for any kind of higher education. In addition to what the family can contribute, a student can receive gift aid in the form of grants, scholarships, merit aid, tuition "discounts" (which are not paid back), and self-help aid in the form of subsidized and unsubsidized loans and work-study assistance.

Where Does Financial Aid Come From?

Of the money not contributed by your family, financial aid is supplied by numerous sources including the federal government — most often in the form of loans and campus work study programs. In addition, individual colleges, state grant programs, and other sources—including private scholarships from local and national organizations—offer grant money to qualified applicants.

How Do You Qualify for Financial Aid?

A great deal of available loan and grant money for college is given to students with demonstrated financial need and is known as need-based aid. Money is also awarded to students solely based on merit such as academic, athletic, or artistic talent. This is called merit-based aid.

The Who, What, Where, and When of Filing the FAFSA

Who? Every applicant seeking need-based aid at any college (public or private.) Note: The need analysis is designed to measure ability, NOT WILLINGNESS, to pay.

What does it do? The FAFSA computes an Expected Family Contribution (EFC) according to a federal methodology. If your EFC is less than the total bill for a year at college, then you may qualify for need-based aid.

Where can you get the FAFSA? Locate it online at www.fafsa.ed.gov. Electronic filing is easy and is highly recommended. It is ***free*** to file.

When? The FAFSA opens October 1. ***The FAFSA will use Prior-Prior Year tax information to calculate your EFC.*** It is best to complete it as soon as possible since the colleges want the results ASAP (definitely no later than March 1). You can enter up to ten college codes on the FAFSA.

What's PRIOR-PRIOR YEAR (PPY)?

The FAFSA calculates the Estimated Family Contribution (EFC) based on a family's (parents' and student's) reported ***prior-prior year*** income. This means families will use tax records from two years ago. However, it is important to note that assets are reported as of the date the FAFSA is filed. It is a good idea to keep a record of current bank statements, investment documents, etc. as of the date you filed—in case your family is audited by the college.

The benefit of using Prior-Prior income information is that families will have an instant idea of how much aid they will qualify for enabling them to better project the amount they will be expected to contribute to the college expense—giving families more time to evalute their student's options and make sound financial decisions about the cost of college and how to pay for it.

ALL COLLEGES ARE REQUIRED TO HAVE A NET-PRICE CALCULATOR DISPLAYED ON THEIR WEBPAGE. THIS CALCULATOR GIVES AN ESTIMATE THAT IS NOT BINDING. IT IS BASED ON FINANCIAL DATA YOU AND YOUR PARENTS PUT INTO THE CALCULATOR.

COMPLETE YOUR FAFSA AND OTHER FINANCIAL AID FORMS ACCURATELY! THE FAFSA OPENS OCT 1 - APPLY AS EARLY AS POSSIBLE.

Aside from the FAFSA, some private colleges require an additional form (or in lieu of the FAFSA) called the CSS Profile or occasionally an institute-specific form.

CSS/Financial Aid PROFILE & Other Forms

Requiring families to submit the CSS PROFILE (this form is sent to College Board, not the federal government) in addition to the FAFSA allows colleges to consider additional criteria not included in the FAFSA when distributing their own need-based funds. In addition to the FAFSA and the PROFILE, or sometimes instead of the latter, colleges may require you to complete their own institutional financial aid form. Once they have reviewed all of your financial aid information, they will put together a financial aid package for you.

Where can you get the PROFILE? – PROFILE forms are available online from www.collegeboard.org in late September. Students must designate which colleges are to receive the PROFILE. The College Board then generates a PROFILE for each family, including any supplemental questions requested by any of these colleges.

When? The PROFILE application opens for submission October 1 of senior year; check with each private college for their deadline - typically two weeks prior to the priority application date.

Cost? The PROFILE costs $25 to register the first school and $16 for each additional school.

Financial Aid TIPS

- Always respond honestly and in a timely manner if a college requests additional information.
- Make photocopies of all completed forms (print out a hard copy if done electronically), and keep a copy somewhere safe.
- Attend all financial aid workshops at your school or wherever offered. The more you read and listen, the better your chances of getting the aid you need.
- Ask your parents to sit down with you and honestly discuss family finances and what they are willing and able to contribute to your college education.
- When figuring the cost of attending a college for four years, realize that direct costs can increase 2% or more per year, so check with college financial aid offices before you make your final calculations.
- Start searching for scholarships early!

Other Sources of Financial Aid

State Aid – Each state has financial aid offerings and sometimes a prepaid tuition plan. Go online and research your state's program. See a listing here: http://finaid.org/otheraid/state.phtml

Colleges – Many colleges award substantial amounts of money in merit aid based on various talents and/or academic achievements, NOT on financial need. Ask financial aid offices to explain their college's merit awards to see if you might qualify. Note: The most selective schools usually don't offer merit aid.

Private Scholarships – Numerous organizations, from national corporations such as Target, Intel, and Microsoft to the smallest local service club offer varying amounts of money. These are based on everything from outstanding community service to ethnicity, left-handedness, and so on. These scholarships may be awarded on the basis of need, merit, or a combination of both.

Loans – There are numerous loan options that families can consider to fill the gap in funding not met by savings or aid. It is important to consider the different types of loans and to understand not only interest rates, but payback options and origination fees.

Student loans:

Stafford Loans - No credit checks, variety of deferment options, and extended repayment terms. Some students will be offered a subsidized loan. In this case, the federal government subsidizes the interest while the student is in college. The annual limit depends on the student's year in college and ranges from $5,500 - $7,500. Fixed interest rate of 4.53% for 2019-2020. All dependent undergraduate students qualify for a Stafford student loan. **Perkins Loans** are offered through the school to students with financial need depending on institution funding; they are paid back to the school. The interest is subsidized while the student is in college and will be charged at a variable interest rate thereafter.

Parent Loans:

Parent PLUS Loans are federal loans for parents of undergraduate students— these loans include a modest credit check and flexible payback options. There is an option for a co-signer if turned down for Parent PLUS loan. The annual limit is the student's Total Cost of Attendance. Fixed interest rate of 7.08% for 2019-2020. **Additionally, there are private loan options available to parents, such as the new Sallie Mae Parent Loan, that have the option of variable interest rates and no origination fee.**

Other Sources – Other possible sources of college funding are the military (check with local recruiters) and athletic scholarships for top-rated athletes. Two very helpful websites you will want to visit are www.FinAid.org and www.fastweb.org. Check your high school counseling office and the public library for additional scholarship leads. Use the SCHOLARSHIP TRACK IT! to help you stay organized.

Online Resources:

WWW.FAFSA.ED.GOV

WWW.PROFILEONLINE.COLLEGEBOARD.COM

WWW.FINAID.ORG

WWW.FASTWEB.COM