

Paying for College/ Financial Aid Workshop

Presenter: Jeff Johnston, MBA
Sallie Mae

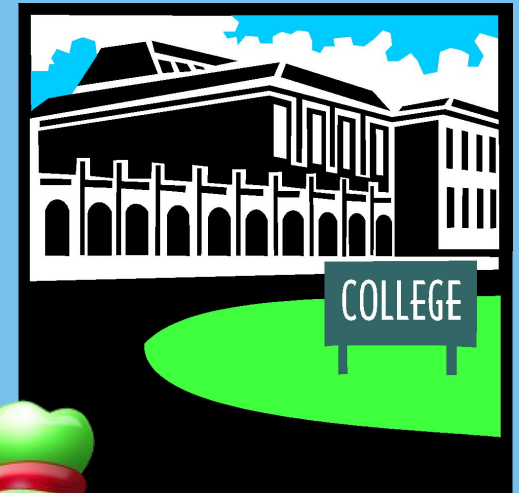
Presentation adapted from NASFAA's "What You Need to Know About Financial Aid"

Topics We Will Discuss Tonight

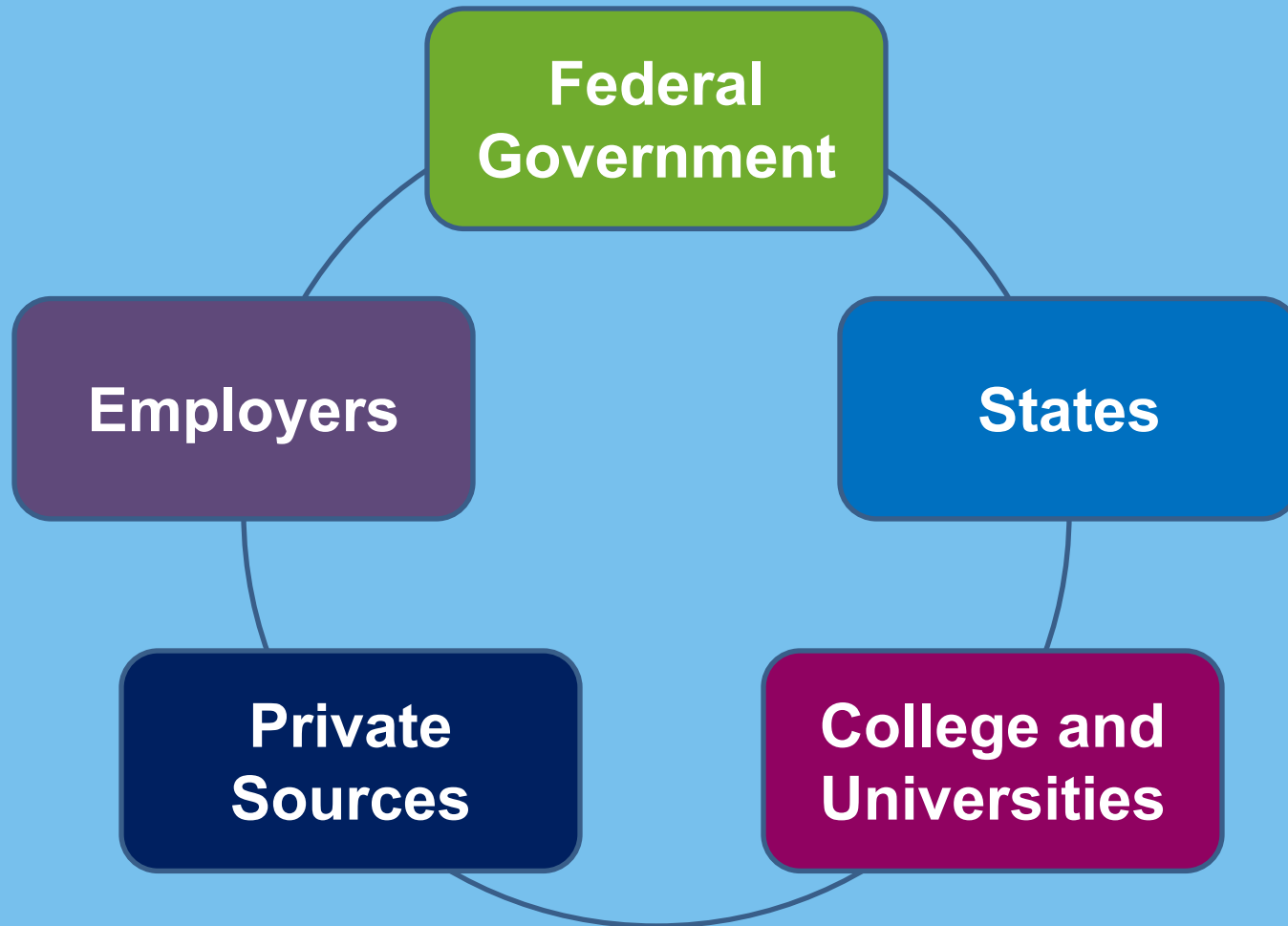
- What is financial aid?
- Categories, types, and sources of financial aid
- Financial need
- Cost of attendance (COA)
- Expected family contribution (EFC)
- Free Application for Federal Student Aid (FAFSA®)
- Special circumstances
- Gap Financing Strategy

What is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses



Sources of Financial Aid



Categories of Financial Aid



Need-based
aid



Non-need-based
aid

What is Financial Need?

Cost of Attendance

– Expected Family Contribution

= Financial Need

What is Cost of Attendance (COA)?

Estimation of expected costs

Direct Costs

Indirect Costs



Tuition and fees



Transportation



Room and board



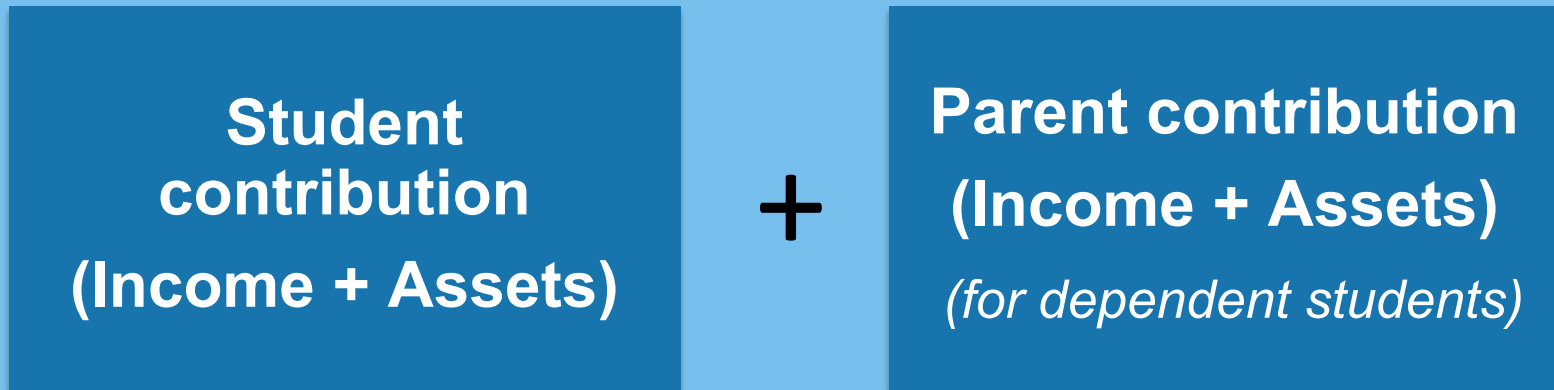
Miscellaneous
personal expenses



Books and supplies

What is Expected Family Contribution (EFC)?

Two components



- Amount family can reasonably be expected to contribute?
 - **Index: "This is the number that's used to determine your eligibility for federal student financial aid."**
- Stays the same regardless of college
- Calculated using data from a federal application form and a federal formula (FAFSA)

What is Financial Need?

Cost of Attendance

– Expected Family Contribution

= Financial Need

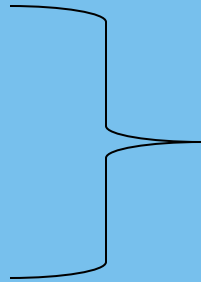
Types of Financial Aid

- Scholarships

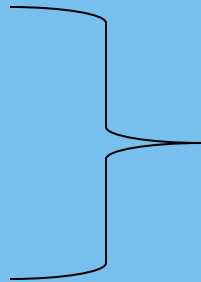
- Grants

- Loans

- Employment



Gift Aid



Self-Help Aid

Gift Aid: Scholarships

- Money that does not have to be paid back
- Awarded on the basis of merit, skill, or unique characteristic

Colleges and Universities

Award aid on the basis of both merit and need

Aid may be gift aid or self-help aid

Use information from the FAFSA and/or institutional applications

Deadlines and application requirements vary by institution

Private Sources – “Outside” Scholarships

- Foundations, businesses, charitable organizations
- Deadlines and application procedures vary widely
- Begin researching private aid sources early
- **Search Engines simplify your search**

Civic Organizations and Churches

- Research what is available in community
- To what organizations and churches do student and family belong?
- Application process usually occurs during spring of senior year
- **Small scholarships add up!**

Scholarships Search Engines

Available Through Naviance:

- Scholarship Search by Sallie Mae[®] provides free access to more than 5 million scholarships worth up to \$24 billion In 2016, Sallie Mae gave out almost \$500,000 through scholarships and sweepstakes
 - SallieMae.com/ScholarshipSearch

Cappex offers more than \$11 billion in scholarship.

Cappex.com is providing more than \$30,000 in their own unique scholarships.

- Cappex.com/scholarshps

Employers

- Companies may have scholarships available to the children of employees
- Companies may have educational benefits for their employees

Gift Aid: Grants

- Money that does not have to be paid back
- Usually awarded on the basis of financial need

Self-Help Aid: Loans

- Money students and parents borrow to help pay college expenses
- Repayment usually begins after education is finished
- Only borrow what is really needed
- Look at loans as an investment in the future

Self-Help Aid: Work-Study Employment

- Allows student to earn money to help pay educational costs
 - A paycheck; or
 - Nonmonetary compensation, such as room and board
- Student may opt whether or not to work or number of hours to work

Federal Government

Largest source of financial aid

Aid awarded primarily on the basis of financial need

Must apply each year using the FAFSA

Eligibility requirements must be met

Federal Student Aid Programs

- Federal Pell Grant
- Iraq and Afghanistan Service Grant (IASG)
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work-Study (FWS)
- Subsidized and Unsubsidized Federal Direct Student Loans (Direct Loans)
- Federal PLUS Loans

States

Residency requirements usually apply

Award aid on the basis of both merit and need

Use information from the FAFSA and/or state aid applications

Deadlines vary by state

Common State of Ohio Aid Programs

- Ohio College Opportunity Grant (OCOG)—File FAFSA
- Ohio War Orphans Scholarship Program
- Ohio Safety Officers Memorial Scholarship Program
- Ohio National Guard Scholarship Program
- Nurse Education Assistance Loan Program (NEALP)
- Ohio Education Training and Voucher (foster care)
- STEMM (Choose Ohio 1st)

Free Application for Federal Student Aid (FAFSA)

- A standard form that collects demographic and financial information about the student and family
- Strongly encouraged to file electronically (to take advantage of skip logic, built-in edits and the IRS Data Retrieval Tool)
- Information used to calculate the expected family contribution (EFC)

FSA ID

- Sign FAFSA electronically
- Speeds up processing
- May be used by students and parents throughout aid process, including subsequent school year
- **Only the owner should create a FSA ID**
 - Parents/Students should each do their own.
 - The parent and student must both have active email accounts.

The screenshot shows the 'Create a New FSA ID' page on the Federal Student Aid website. The page header includes the 'Federal Student Aid' logo and the text 'PROUD SPONSOR of the AMERICAN MIND®'. Below the header, there is a section titled 'Create a New FSA ID' with a sub-header 'An FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.' The main content area contains instructions: 'Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.' It also states: 'To create your own personal FSA ID, enter answers for the questions below and select CONTINUE.' An important note follows: 'Important: When you are done click the CANCEL button to clear your data, even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.' The form itself has two tabs: 'Create An FSA ID' (selected) and 'Edit My FSA ID'. The form fields include: 'E-mail', 'Confirm E-mail', 'Username', 'Password', and 'Confirm Password'. There are also checkboxes for 'Numbers', 'Uppercase Letters', 'Lowercase Letters', 'Special Characters', and '8-30 Characters', along with a 'Show Text' button. A question asks 'Are you 13 years of age or older?' with radio button options for 'I am 13 years of age or older.' and 'I am 12 years of age or younger.' A green 'CONTINUE' button is at the bottom right. On the right side of the form, there are links for 'Edit My FSA ID' and 'Frequently Asked Questions'.

<https://fsaid.ed.gov/npas/indexhtm>

Create an FSI ID before completing the FAFSA because the process takes about 8-10 minutes.

<https://fsaid.ed.gov>

English | Español | Help

Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND®
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Create a New FSA ID

An FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.

Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

To create your own personal FSA ID, enter answers for the questions below and select CONTINUE.

Important: When you are done click the CANCEL button to clear your data, even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.

* Required

Create An FSA ID | Edit My FSA ID

E-mail: university.1@edu

Confirm E-mail: university.1@edu

Username: conniecoed

Password: 1University

Confirm Password: 1University

Criteria Met Show Text

Are you 13 years of age or older? *

- I am 13 years of age or older.
- I am 12 years of age or younger.

[Edit My FSA ID](#)

[Frequently Asked Questions](#)

Check the box 'Show Text' to display your entry

CONTINUE

The parent and student **MAY NOT** use the same email address.

Password is case sensitive and will expire after 18 months.

You must be at least 13 years old to have an FSA ID under the Children's Online Privacy Protection Act.

Don't use a high school email address because it will be deleted after graduation.

Put in your cell phone number (if you text) so you can retrieve lost password.

MULTIPLE WAYS TO COMPLETE FAFSA



FAFSA – www.fafsa.gov

- May be filed at any time during an academic year, but no earlier than October 1st prior to the academic year for which the student requests aid
- For the 2019–20 academic year, the FAFSA may be filed beginning October 1, 2018 (2017 Tax Year)
- **Many colleges set FAFSA filing deadlines**
 - Ohio Colleges will be as soon as November 15/December
 - Out of state schools may have earlier deadlines
 - Early Decision or Action may even be earlier

FAFSA on the Web (FOTW)

Need money for college?

Complete the FAFSA® (*Free Application for Federal Student Aid*) form to apply for financial aid for college, career school, or graduate school.

NEW TO FAFSA.GOV?

Submitting the FAFSA form is quick, and most importantly, it's FREE. Get started today.

[START HERE >](#)

RETURNING USER?

- Make a correction
- Add a school
- View your *Student Aid Report (SAR)*

[LOG IN >](#)

FAFSA on the Web (FOTW)

Login

Log in to the FAFSA

Only students may use their FSA ID to log in. Parents and others can start a FAFSA for a student by entering the student's identifiers. Parents and others can also work on a FAFSA form or correction the student started using the **Save Key** that the student made. [Help for parents.](#)

Form Approved
OMB No. 1845-0001.
App. Exp. 12/31/2019.

I am the student

OR

I am a parent, preparer, or student from a Freely Associated State

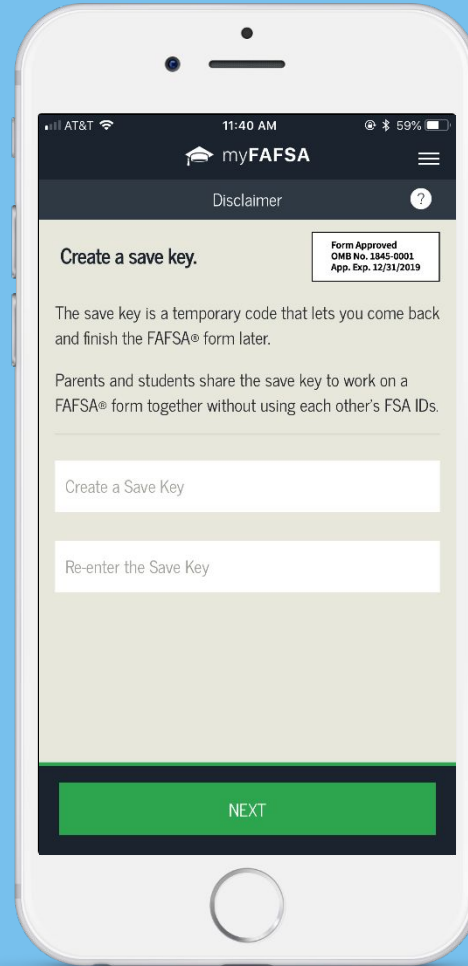
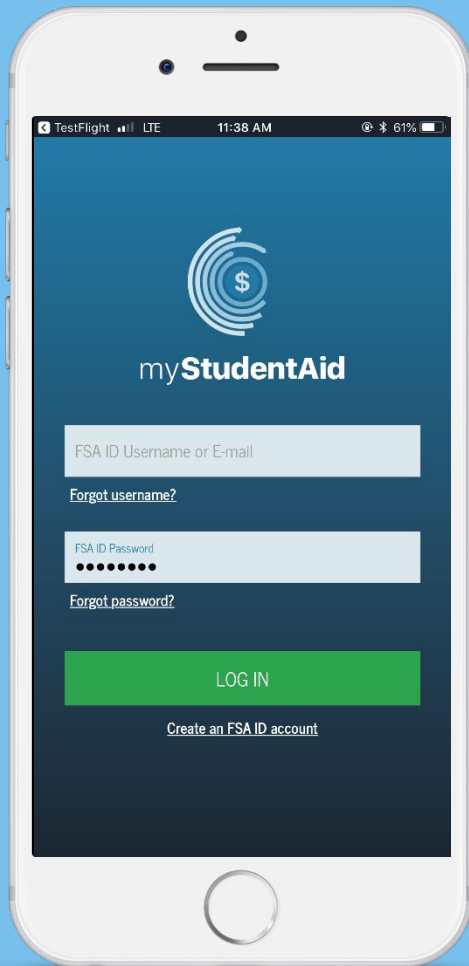
NEXT 

Site Last Updated: Sunday, July 22, 2018

Download [Adobe Reader](#)

©2010 fafsa.gov. All rights reserved.

myStudentAid Mobile App



- Information protected the same as FOTW
- Prompts applicant to create a save key, allowing completion at later time

IRS Data Retrieval Tool

- With IRS DRT, you can import your tax returns
- The imported data will be encrypted, but you can find out your EFC from your Student Aid Report (SAR).
 - Speeds up the process to fill out the FAFSA
 - Reduces documents requested by financial aid office

IRS Data Retrieval Tool

Certain tax filers cannot use the IRS Data Retrieval Tool

Did not indicate on FAFSA a tax return was completed

Marriage date is January 2017, or later

First three digits of the SSN are 666

Filed a non-U.S. tax return

Married and filed as head of household, or filed separate returns

Neither married parent entered a valid SSN

Non-married parent or both married parents entered all zeroes for the SSN

Student Dependency Status

FAFSA asks questions to determine dependency status for federal student aid (not IRS) purposes:

- If all “No” responses, student is dependent
- If “Yes” to any question, student is independent

18-19 Questions

- Will you be 24 or older by Dec. 31 of the school year for which you are applying for financial aid?
- Will you be working toward a master's or doctorate degree (such as M.A., M.B.A., M.D., J.D., Ph.D., Ed.D., etc.)?
- Are you married or separated but not divorced?
- Do you have children who receive more than half of their support from you?
- Do you have dependents (other than children or a spouse) who live with you and receive more than half of their support from you?
- At any time since you turned age 13, were both of your parents deceased, were you in *foster care*, or were you a ward or dependent of the court?
- Are you an *emancipated minor* or are you in a *legal guardianship* as determined by a court?
- Are you an unaccompanied youth who is *homeless* or self-supporting and at risk of being homeless?
- Are you currently serving on active duty in the U.S. armed forces for purposes other than training?
- Are you a veteran of the U.S. armed forces?

FAFSA Asks for Information About Parents (of Dependent Student), the Student (and Spouse)

- Tax, income, and other financial information
- Dislocated worker status
- Receipt of means-tested federal benefits
- Assets
- Untaxed income
- College and housing information

Frequent FAFSA Errors

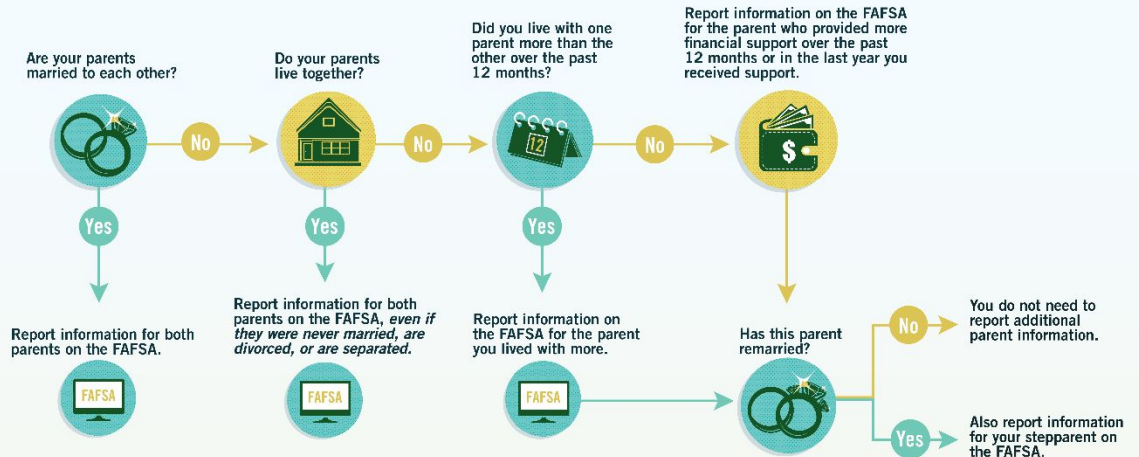
- Social Security Numbers
- Divorced/widowed/remarried parental information
- Income earned by parents/stepparents
- Untaxed income
- U.S. income taxes paid
- Household size
- Number of household members in college
- Real estate and investment net worth

Who's My Parent - FAFSA

WHO'S MY PARENT WHEN I FILL OUT MY FAFSA®?

Dependent students are required to report parent information on the *Free Application for Federal Student Aid* (FAFSA). For reporting purposes, "PARENT" means your legal (biological or adoptive) parent or stepparent, or a person that the state has determined to be your legal parent.

Use this guide to figure out which parent's information to include (depending on your family situation).



The following people are not your parents unless they have legally adopted you:



Widowed Stepparent



Grandparents



Foster Parents



Legal Guardians



Older Brothers or Sisters



Aunts or Uncles

If you're not sure whom to report as a parent, you can visit StudentAid.ed.gov/fafsa/filling-out/parent-info or call 800-4-FED-AID (800-433-3243).

¹ If you're not sure whether you are a dependent student, go to StudentAid.gov/fafsa/filling-out/dependency

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

PROUD SPONSOR of
the AMERICAN MIND®

Special Circumstances

- Conditions that cannot be documented using FAFSA
- Send written explanation and documentation to financial aid office at each college
- College will review and request additional information if necessary
- Decisions are final and cannot be appealed to U.S. Department of Education

Special Circumstances

Unusual uncovered
medical/dental
expenses

Secondary
school tuition

Extraordinary
dependent care

Parent or
spouse
death

Loss of
employment

Divorce

Student
cannot obtain
parental
information



Special Circumstances

- Change in income
- Change in employment status
- Unusual medical expenses not covered by insurance
- Change in parent marital status
- Unusual dependent care expenses
- Student cannot obtain parental information

Making Corrections

If necessary, corrections to FAFSA data may be made by:

- Using FAFSA on the Web, if student has a FSA ID;
- Updating paper SAR; or
- Submitting documentation to college's financial aid office

CSS Profile

- <https://cssprofile.collegeboard.org/>
- Needs to be completed in addition to FAFSA at certain institutions.
- Used by almost 400 colleges/universities.
- **Ohio schools:** CWRU, College of Wooster, Denison, Kenyon, Oberlin.
- Check the financial aid sections of the colleges' websites!

Financial Aid Award Letter

FINANCIAL AID AWARD LETTER



Office of Financial Aid • 5000 N. Willamette Blvd. • Portland OR 97203 • T 503.943.7311 • finaid@up.edu • F 503.943.7508

January 23, 2014

UPID 001234567

1 Wally Pilot
5000 N Willamette Blvd
Portland OR 97203

2
Aid Year: 2014-15
Student Type: Undergrad
Award Type: ORIGINAL

The University of Portland is pleased to offer you the following estimated financial aid award. This award is based on several factors including your academic accomplishments, eligibility for need based aid, and financial aid application (FAFSA). For additional information on your award, we encourage you to reference the UP Financial Aid website at up.edu/finaid. This website may answer many of your questions.

Award Details

	SUMMER	FALL	SPRING	TOTAL
Gift Aid				
Merit Scholarship	-	\$6,500.00	\$6,500.00	\$13,000.00
UP Grant	-	\$2,500.00	\$2,500.00	\$5,000.00
Federal Pell Grant	-	\$2,698.00	\$2,697.00	\$5,395.00
State Need Grant	-	\$1,000.00	\$1,000.00	\$2,000.00
Endowed UP Scholarship	-	\$1,000.00	\$1,000.00	\$2,000.00
Total Gift Aid:				\$27,395.00
Loans				
Direct Subsidized Loan	-	\$1,750.00	\$1,750.00	\$3,500.00
Direct Unsubsidized Loan	-	\$1,000.00	\$1,000.00	\$2,000.00
Direct Parent PLUS Loan	-	\$5,000.00	\$5,000.00	\$10,000.00
Total Loans:				\$15,500.00
Outside Aid				
Community Foundation	-	\$750.00	\$750.00	\$1,500.00
Total Outside Aid:				\$1,500.00
Work Option				
Federal College Workstudy	-	\$1,000.00	\$1,000.00	\$2,000.00
Total Work Option:				\$2,000.00
Total Financial Aid Offered:	-	\$23,198.00	\$23,197.00	\$46,395.00

Additional loan funding may be available. Contact the Office of Financial Aid for more information. Loans also require a separate application process; instructions are available at up.edu/finaid/loans.

Award Letter #2

University of the United States (UUS)
Student Name, Identifier

MM / DD / YYYY

[Download](#)

Costs in the 2018-19 year

Estimated Cost of Attendance	\$	\$X,XXX / yr
Tuition and fees	X,XXX	
Housing and meals.....	X,XXX	
Books and supplies	X,XXX	
Transportation.....	X,XXX	
Other education costs.....	X,XXX	

Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid; no repayment needed)	\$	\$X,XXX / yr
Grants and scholarships from your school	X,XXX	
Federal Pell Grant.....	X,XXX	
Grants from your state.....	X,XXX	
Other scholarships you can use	X,XXX	

What will you pay for college

Net Costs (Cost of attendance minus total grants and scholarships)	\$	\$X,XXX / yr

Options to pay net costs

Work options

Work-Study (Federal, state, or institutional)	\$	X,XXX
---	----	-------

Loan Options*

Federal Perkins Loan	\$	X,XXX
Federal Direct Subsidized Loan.....	X,XXX	
Federal Direct Unsubsidized Loan	X,XXX	

*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

Other options

Family Contribution (As calculated by the institution using information reported on the FAFSA or to your institution.)	\$	\$X,XXX / yr
Payment plan offered by the institution		
Parent or Graduate PLUS Loans		
American Opportunity Tax Credit *		
Military and/or National Service benefits		
Non-Federal private education loan		

*Parents or students may qualify to receive up to \$2,500 by claiming the American Opportunity Tax Credit on their tax return during the following calendar year.

Graduation Rate
Percentage of full-time students who graduate within 6 years

XXX%

Low	Medium	High

Repayment Rate
Percentage of borrowers entering into repayment within 3 years of leaving school

XXX%

	X.X% National Average

This Institution

Median Borrowing
Students who borrow at UUS typically take out \$X,XXX in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately \$X,XXX per month. Your borrowing may be different.

Repaying your loans

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to:
<http://studentaid.ed.gov/repay-loans/understand/plans>

For more information and next steps:
University of the United States (UUS) Financial Aid Office

123 Main Street
Anytown, ST 12345
Telephone: (123) 456-7890
E-mail: financialaid@uus.edu

Customized information from UUS

Tax Benefits

Don't forget to consider many of the tax benefits that are offered to families with college students. To find out if you qualify, call the IRS Help Line at 800-829-1040 or review IRS Publication 970, Tax Benefits for Education at [irs.gov](https://www.irs.gov).

- **American Opportunity Credit** provides federal taxpayers with a tax credit of up to \$2,500 per student per year for up to four years, for qualified tuition and related expenses.
- **Lifetime Learning Credit** provides federal taxpayers with a non-refundable tax credit of up to \$2,000 per student per year per eligible school tuition and fees, as well as for books, supplies, and equipment that were required for the course and had to be purchased from the school
- **Student Loan Interest Deduction** allows taxpayers who qualify to deduct up to \$2,500 of student loan interest paid during the tax year directly from their taxable income.

Please consult your tax advisor or the IRS regarding student loans and taxes.

Commonly Used Gap Financing Tools

- Student Summer Income
- Parents – 529 plans, UGMA/UTMA, Coverdell
- Long-Term Investments (Stock liquidation)
- 401(k) Plan - Loans/Roth IRA divestment
- Tuition Payment Plans
- Home Equity Loans/Lines of Credit
- Federal Parent PLUS Loans
- Private Student Loans (in name of Parent or Student)

Questions?

The information contained in this presentation is not comprehensive, is subject to constant change, and therefore should serve only as general, background information for further investigation and study related to the subject matter and the specific factual circumstances being considered or evaluated. Nothing in this presentation constitutes or is designed to constitute legal advice.