

Essentials of Financial Aid



Purpose of Need-based Financial Aid



- ▶ ACCESS to college
- ▶ CHOICE among colleges
- ▶ NOT a reward for Academic Merit



Basic Premise

Students and parents are the primary source of funds for post-secondary education and are expected to contribute to the extent they are able.

Financial Aid measures family ability, not willingness, to pay for higher education.



Myths About Financial Aid

Scholarships are only for A students

You should go to the school that gives you the most money

Financial Aid is only offered at some schools

Only apply to the least expensive schools

I won't qualify because my neighbor didn't

We make too much and won't qualify



Basic Tips



- ▶ File early
- ▶ Estimated income information OK
- ▶ **Divorced?** Include custodial parent information only on the FAFSA and the PROFILE.
- ▶ **Remarried?** Include step-parents information on the FASFA and the PROFILE.
- ▶ You might be asked to provide information about the non-custodial parent.



Financial Need

Example



Student Budget \$55,500

Family Contribution -\$15,000

Student's need \$40,500



Need = Eligibility for Financial Aid

Student Budget

- ▶ Tuition & Fees
- ▶ Personal Expenses
- ▶ Room & Board
- ▶ Books & Supplies
- ▶ Transportation



Required Documents



- www.fafsa.ed.gov



CSS Profile

- profileonline.collegeboard.com



Parent and Student Tax Returns

- www.irs.gov



GPA Verification Form

- www.calgrants.org

Factors Considered

- ▶ Income of custodial parent(s) and student
- ▶ Assets of custodial parents and student
- ▶ Number of family members
- ▶ Number of dependent children in college
- ▶ Age of older parent

Home, retirement and business assets are protected in the federal analysis.

THEY ARE OFTEN CONSIDERED BY PRIVATE COLLEGES!



Signing Electronically



**WELCOME TO
PIN REGISTRATION**

PIN HOME

PIN REQUEST AND INFORMATION This website is your source of information for the U.S. Department of Education PIN. Select one of these links for more information about what the PIN is and where you can use it or select the PIN Frequently Asked Questions link.

CHANGE INTERNET ACCESS

CONTACT US

SECURITY If you have never received a U.S. Department of Education PIN or you are unsure if you already have a PIN, please select Apply for PIN to receive on.

US DEPARTMENT OF EDUCATION

FINANCIAL AID FOR STUDENTS If you don't have a PIN and you are eligible to receive on, select PIN Request and Information.

APPLY FOR PIN **CHANGE PIN** **PIN FAQ'S**

- ▶ Easy to sign on line
- ▶ Quicker to sign on line

Both parent and student will need a FAFSA ID *before* completing the **FAFSA**
www.pin.ed.gov



Get yours today!!!

Primary Sources



Federal Government
State Government
Postsecondary Institutions
Private agencies



Common Errors

- ▶ Providing inaccurate or incomplete data on FAFSA
- ▶ Accurate household size/number in college
- ▶ Failing to estimate in order to meet deadlines
- ▶ Not submitting required forms by filing deadlines
- ▶ Not submitting all required application documents



Aid Administrators

- ▶ Review and adjust family contribution based upon unusual circumstances
- ▶ Determine financial aid eligibility (need) and eligibility for aid
- ▶ Decide type/amount of financial aid



Special Circumstances

Family should contact financial aid office if there are:

- ▶ Losses or reductions in family income
- ▶ Death or illness
- ▶ Marriage or divorce
- ▶ Unusual medical or dental expenses not covered by insurance
- ▶ Other unusual circumstances

Need-based Grants

- ▶ College Grants/Scholarships
 - ▶ merit or need
- ▶ Need-based Federal Grant
 - ▶ Pell Grants
 - ▶ Federal SEOG
 - ▶ Need-based State Grants
 - ▶ Cal Grants (Need *and* GPA)

Amounts vary

\$5,775 max. per year

\$4,000 max. per year



Due to state budget crisis, Cal Grant value might change



Merit Scholarships

- ▶ **Many colleges offer scholarships based on academic and leadership qualities.**
- ▶ **Different colleges will have different ways to apply.**
- ▶ **Make sure you are aware of renewal requirements.**



Outside Scholarships

- ▶ Available from colleges, companies, religious and other organizations
- ▶ Usually require separate applications
- ▶ Some require transcript, essay, interview, or audition.
- ▶ Very competitive . . . try, but don't be disappointed
- ▶ Be wary of scholarship search companies



Check Out Scholarship Searches

• www.fastweb.com

• www.zinch.com

• www.scholarshipexperts.com



Don't be scammed!
DO NOT
pay to search for scholarships!



Student Employment

- ▶ Work-Study - Federal work program during school year for students with financial need
- ▶ Regular work earnings during school year
- ▶ Summer jobs
- ▶ Studies show most students who work fewer than 10 hours a week earn as good or better grades than non-working students
- ▶ Time management skills
- ▶ Work experience



Educational Loans. . . An Investment in your Future



- ▶ Stafford/Direct Loan subsidized (3.4%) & unsubsidized (6.8%)
- ▶ Perkins Loan (5%)
- ▶ Parent Loan for Undergraduate Students (PLUS) (8.5%)
- ▶ Colleges may have their own loan programs! Be sure to ask!

Interest paid on student loans might be deductible on taxes!



Evaluating Packages

- ▶ Biggest is not always best; unmet need must be considered.
- ▶ Is the full cost of education realistic?
- ▶ Loan balance
- ▶ What are terms and conditions of loan offered?
- ▶ Renewable vs. non-renewable scholarships
- ▶ Types of aid offered in view of student's:
 - ▶ Career objectives
 - ▶ Work expectations



Financial Aid Office F-15
1600 Campus Road
Los Angeles, CA 90047-3114
PHONE: 323-259-1448
FAX: 323-241-4984
E-MAIL: fmsaid@oxy.edu

March 28, 2010

Oswald Tiger
1600 Campus Road
Los Angeles, CA 90041

Dear Oswald,

Enclosed please find your Official 2010-2011 Financial Aid Award Letter. A copy of the Financial Aid Handbook is available on the Occidental College website at <http://www.oxy.edu/16.xml>. The guide is designed to help you understand your award letter, provide important information and answer frequently asked questions about financial aid. Please take the time to review the Handbook carefully, as it details the specifics of all financial aid programs. Paper copies of the handbook are also available in the Financial Aid Office.

Source:	Fall	Spring	Total
Occidental Honors Scholarship	2,500	2,500	5,000
Need-Based Oxy College Scholarship	10,000	10,000	20,000
Cal Grant A	4,854	4,854	9,708
Federal Perkins Loan	2,000	2,000	4,000
Federal Subsidized Stafford Loan	1,750	1,750	3,500
Federal Work Study	1,550	1,550	3,100
Total Awards:	22,654	22,654	45,308

To make this award official, the following documents must be reviewed. If these documents or other information provided to the Financial Aid Office causes a change in our tentative offer, we will notify you in writing.!!!!

Certification of Citizenship
Copy of Student Social Security Card
Master Promissory Note - Stafford
Master Promissory Note - Perkins

In order to credit your student account or to receive funds, you must submit all documents requested by the Financial Aid Office. By accepting the funds noted above you are agreeing to the terms and conditions outlined in the Financial Aid Handbook.

If there have been unusual circumstances that have greatly altered your parents' financial situation since the filing of their tax returns, please have them write a letter explaining these changes.

Occidental College
Financial Aid Award Letter



Packaging



- ▶ Availability of funds and institutional policy will influence amount and type of aid offered
- ▶ Many schools are unable to meet full financial aid eligibility (need) due to limited resources



SAMPLE Calendar

January: Gather financial information

February: FAFSA & PROFILE DUE

March: Cal Grant GPA Verification Due 3/2/11

April: Aid Offered; Submit tax returns to College

May : Aid Award Becomes Official *after verification*

June: Complete Loan Promissory Notes

July: First Bill Sent

August: First Bill Due

DIFFERENT SCHOOLS HAVE DIFFERENT DEADLINES!



Questions?





Financial Aid Essentials

All Students:

File the FAFSA (Free Application for Federal Student Aid)
www.fafsa.gov

Step 1: create a FAFSA ID

Step 2: start filling out the 2016-17 application

- **Enter your personal information.** This is information like your name, date of birth, etc. Make sure you enter your personal information exactly as it appears on official government documents.
- **Enter your financial information.** You should use income records from 2015 information. If you or your parent(s) haven't filed your 2015 taxes yet, you can always estimate the amounts using your 2014 tax return; just make sure to update your FAFSA once you file your 2015 taxes. Once you file your taxes, you may be able to automatically import your tax information into the FAFSA using the IRS Data Retrieval Tool. It makes completing the FAFSA easy!
- **Enter up to 10 colleges.** You can send your FAFSA data to 10 schools at once. Then, once the data has gone out you can click "**Make FAFSA Corrections.**" Remove some of the colleges listed on your FAFSA, add the additional school codes, and submit the corrections for processing

Step 3: file as early as possible! (most colleges are due by Feb. or March)

Unsure about what aid you may qualify for?

Use the FAFSA4caster on the fafsa.gov website to get an estimate

Students Applying to Private & Out of State Schools:

File the CSS Profile

Step 1: register for the Profile

Step 2: print or save the Pre-Application worksheet

Step 3: complete the application

Gather the information below before filling out the Application:

- 2015 federal income tax return(s), if completed
- 2014 federal income tax return(s)
- W-2 forms and other records of money earned in 2015
- Records of untaxed income and benefits for 2014 and 2015
- Current bank statements
- Current mortgage information
- Records of savings, stocks, bonds, trusts, and other investments
- Your noncustodial parent's email address, if applicable.

Special Circumstances:

If your family has experienced financial hardship that isn't represented in your FAFSA or CSS Profile applications, you should consider writing a supplement and emailing it directly to financial aid offices.

Comparing the CSS Profile with the FAFSA

- In measuring your family's ability to pay for college, the PROFILE uses the Institutional Methodology (IM) instead of the Federal Methodology (FM), which is used on the FAFSA. Although the two systems are fundamentally the same—in both the IM and FM, the primary “drivers” that determine how much you will be expected to pay for college are income, assets, family size, and the number of children in college—the IM takes into account whether your family owns a home and assumes a minimum student contribution.
- The PROFILE contains questions specific to the schools you're applying to, while the FAFSA is a standardized financial aid application designed to be used in conjunction with federal aid.
- The PROFILE allows financial aid counselors to take special circumstances into greater consideration.

Scholarships:

Students can apply for merit-based scholarships all throughout this semester.

www.Fastweb.com

www.zinch.com

www.scholarshipexperts.com