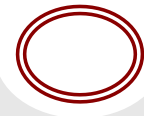


College Financial Aid Night

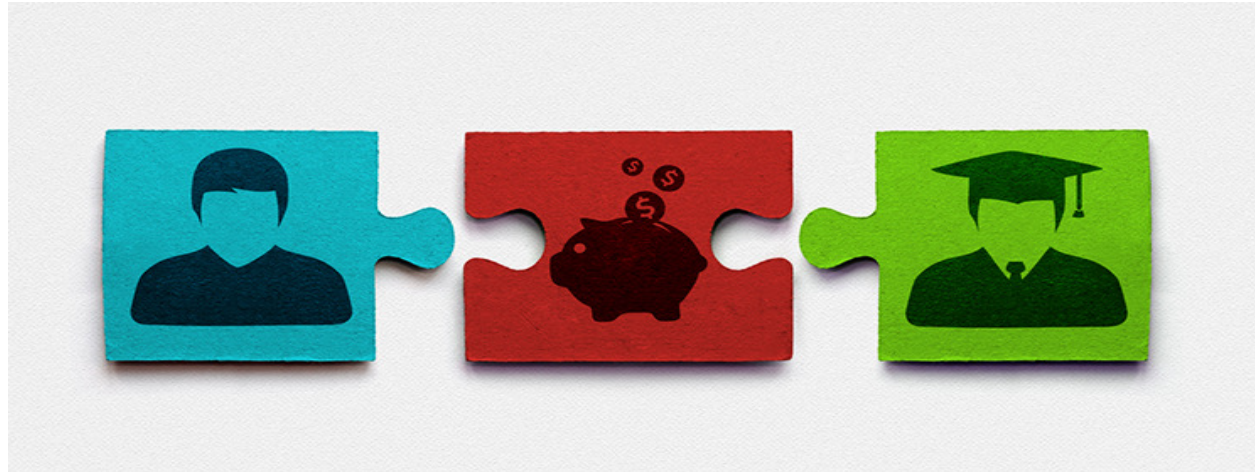


JULIE B. SAVINO

**EXECUTIVE DIRECTOR
UNIVERSITY FINANCIAL ASSISTANCE**

SACRED HEART UNIVERSITY

Understanding the College Financial Aid Process



Tonight's discussion will highlight:

- Sources and Types of Financial Aid
- Application Process
- Determining Eligibility
- Tools, Tips & Thoughts
- Q & A

Who Qualifies for Financial Aid?

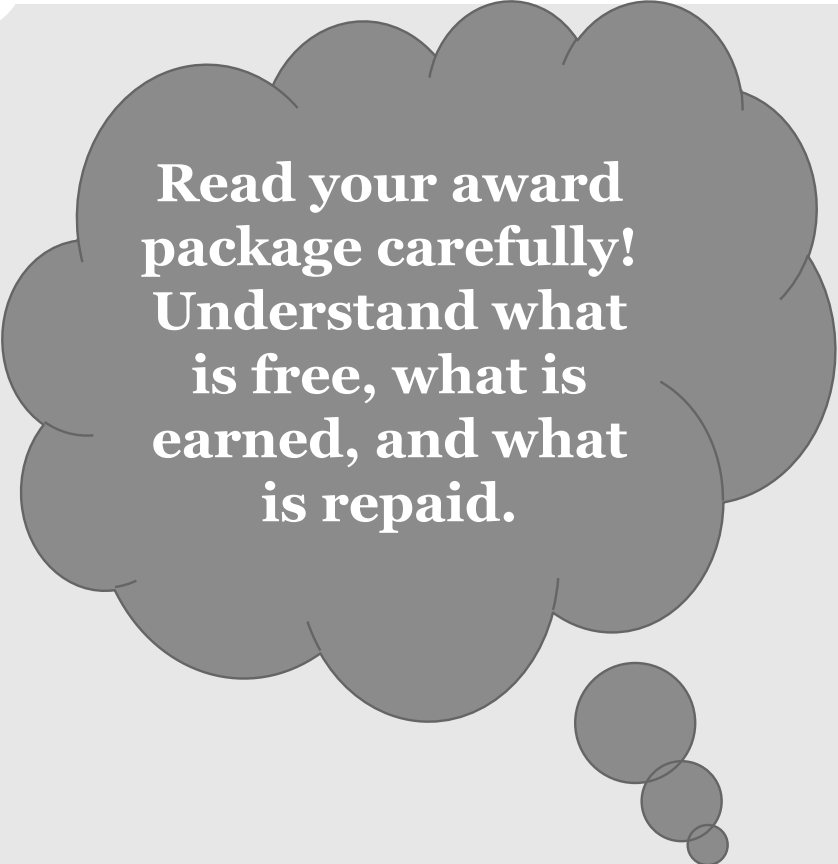


Principles of Financial Aid

- Parents and students are primarily responsible for financing an education.
- Sacrifice is assumed.
- Financial aid assessment is an evaluation of economic strength, not cash flow.
- The family contribution is a standardized calculation that assesses ability to pay, not a willingness to pay.
- Financial aid is a supplement whose intent is for student access and choice.

Sources & Types of Financial Aid

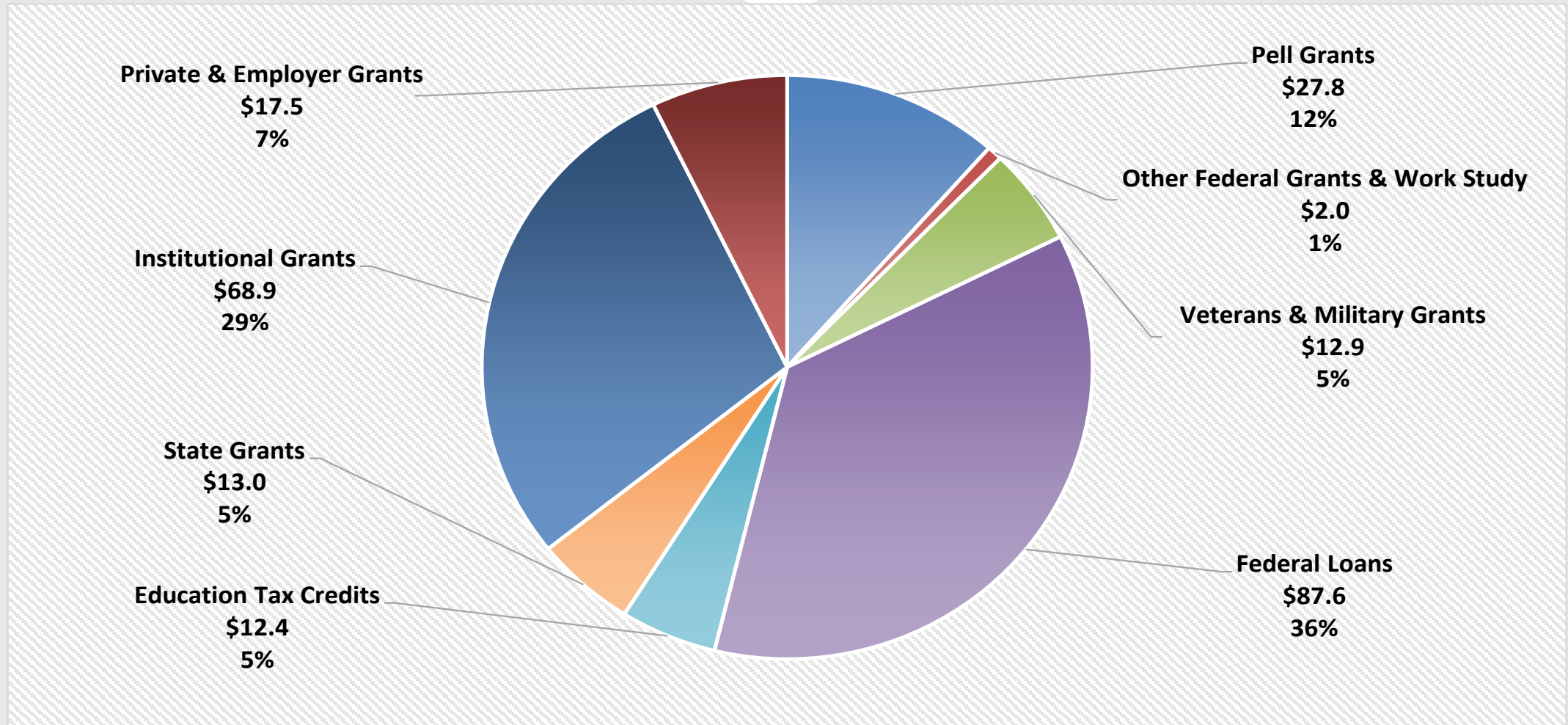
- Grants
- Scholarships
- Work-Study Program
- Federal Direct Loans
 - *Subsidized*: no interest while enrolled
 - *Unsubsidized*: interest accrues while enrolled
 - ✦ No payment due on either loan while enrolled
 - ✦ Interest Rate Subsidized/Unsubsidized for Undergraduate Students for 2021-2022 is 3.73%
 - ✦ Interest Rate Unsubsidized for Graduate or Professional Students for 2021-2022 is 5.28%



Read your award package carefully! Understand what is free, what is earned, and what is repaid.

2019-2020 \$242.0 Billion Total Student Aid

Source of Information: The College Board “Trends in Student Aid 2020”
To learn more visit: <https://research.collegeboard.org/trends/student-aid>



The Important First Steps



- Rely on College Websites for Most Up-to-Date Information
- Consider Admission Application & Deadlines
 - Early Decision
 - Early Action
 - Regular/Rolling Admission
- Don't Need to Wait to be Accepted Before Completing Financial Aid Applications
- Review Required Financial Aid Applications & Deadlines
 - Each college has their own deadlines
 - Submit two weeks before earliest deadline
- Evaluate Financial Aid Programs the College Offers
- Compare Costs — Net price calculators are on all college websites and can provide an estimate of financial aid eligibility and remaining college costs.

Financial Aid Applications



- **Free Application for Federal Student Aid (FAFSA)**
 - Required for Federal & State Aid
 - ✦ <https://studentaid.gov/h/apply-for-aid/fafsa>
- **CSS Profile**
 - **Not** used by every college; primarily by private colleges
 - ✦ <https://cssprofile.collegeboard.org/>
- **Institutional Applications**
 - Check school publications and websites
- **Be Organized!**
 - Have all required information and/or data necessary to ensure prompt processing and to enable an informed decision can be made with respect to the applications.

Federal Student Aid



Federal Student Aid
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

UNDERSTAND AID ▾

APPLY FOR AID ▾

COMPLETE AID PROCESS ▾

MANAGE LOANS ▾

Complete the FAFSA® Form

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

New to the FAFSA® Process?

Completing the FAFSA form is free. Fill it out now.

Start Here

Returning User?

Correct info | Add a school

View your *Student Aid Report* (SAR)

Log In



Federal Student Aid Process



- **Prepare for College**
Review the College Preparation Checklists
- **Federal Types of Aid**
From types of aid to avoid scams
- **Who Gets Aid**
Learn About the Eligibility Requirements
- **FAFSA: Applying for Financial Aid**
Mobile-friendly FAFSA website
Mobile App: myStudentAid
- **How to Repay Your Loans**

www.studentaid.ed.gov

EARLY ESTIMATE STUDENT AID TOOLS

Federal Student Aid Estimator gives you a free early estimate of your eligibility. It is not an application; it's a planning tool.

- <https://studentaid.gov/aid-estimator/>

“Types of Federal Student Aid” Video to learn about grants, loans, work-study and how to fund education. Available in English and Spanish as well as accessible version.

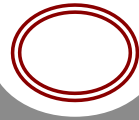
- <https://studentaid.ed.gov/sa/types>

Federal Student Aid ID (FSA ID)



- **Access to Federal Student Aid's online systems**
 - Used to confirm identity and serves as your legal, electronic signature for FAFSA, Federal Stafford Loans and Federal Parent Loans.
- **Students' *and at least one* parent need an FSA ID**
 - FSA ID is made up of a username and password
 - Specific to an individual
 - Has the same legal status as a written signature
- **Create FSA ID**
 - <https://studentaid.gov/fsa-id/sign-in/landing>
 - Name, SSN, date of birth, mailing address, email address & phone number
 - ✦ Students should not use a high school email address
 - ✦ Must match the information on file with the Social Security Administration (SSA)

Free Application for Federal Student Aid



FAFSA Basics

- 2022-2023 FAFSA available 10/1/21
- Supports Federal Methodology (FM) used to determine eligibility for Federal & State Financial Aid
- Submitted each year the student is in school
- 1 FAFSA per student, not per family
- No cost to complete FAFSA

Information Requested

- Parent & Student 2020 tax information
 - If eligible, use data retrieval tool, otherwise enter manually
 - If divorced/separated, use custodial parent information
- Information on savings & checking account balances; investments, including stocks and bonds
- Takes into account basic personal information like family size, number in college, age of parent, other

Federal Data Retrieval Tool (DRT)



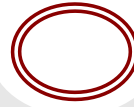
- **The IRS DRT allows parent & student tax data to securely, automatically fill the FAFSA form.**
 1. On “Parent Financial Information” page, answer DRT eligibility questions
 2. Enter Parent’s FSA ID & Click "Link to IRS“ (*will leave the FAFSA website*)
 3. Once on IRS DRT website will go through authentication process and once authenticated will be provided a list of all possible fields that could transfer to FAFSA form
 4. Select “Transfer My Information into the FAFSA”. Will not be able to view tax information on the IRS DRT web page, nor view transferred information on FAFSA. FAFSA will note in field “transferred from the IRS”
 5. Repeat for student tax filers on “Student Financial Information” page
- **If unable to use DRT, enter information manually.**
 - Currently unable to use DRT if, on 2020 taxes:
 - ✦ Married and filed as Married Filing Separately
 - ✦ Married and filed as Head of Household
 - ✦ Unmarried and both legal parent living together
 - ✦ Filed a Puerto Rican or foreign tax return

After Submitting the FAFSA



- **Review the Student Aid Report for errors**
 - If necessary, make corrections and resubmit FAFSA
 - If selected for verification, a notification will be present
 - ✦ You may be required to submit tax transcripts and/or other forms for verification purposes to the school
 - ✦ Financial aid awards are tentative until verification is complete
- **If 2020 tax information is not representative of current income**
 - Contact each school about appeal/professional judgment
 - ✦ Do not alter FAFSA information on your own

College Board CSS Profile



CSS Profile

[Home](#)[Getting Started](#)[Fee Waivers](#)[Divorced or Separated Families](#)[International Applicants](#)

Apply with CSS Profile

Each year CSS Profile gives access to more than \$9 billion for thousands of undergraduate, graduate and professional students.

[Sign In to Fall 2021/Spring 2022](#)



Check participating Schools and Scholarships



Learn how to apply



Completing the CSS Profile for the Noncustodial Parent

CSS Profile Application



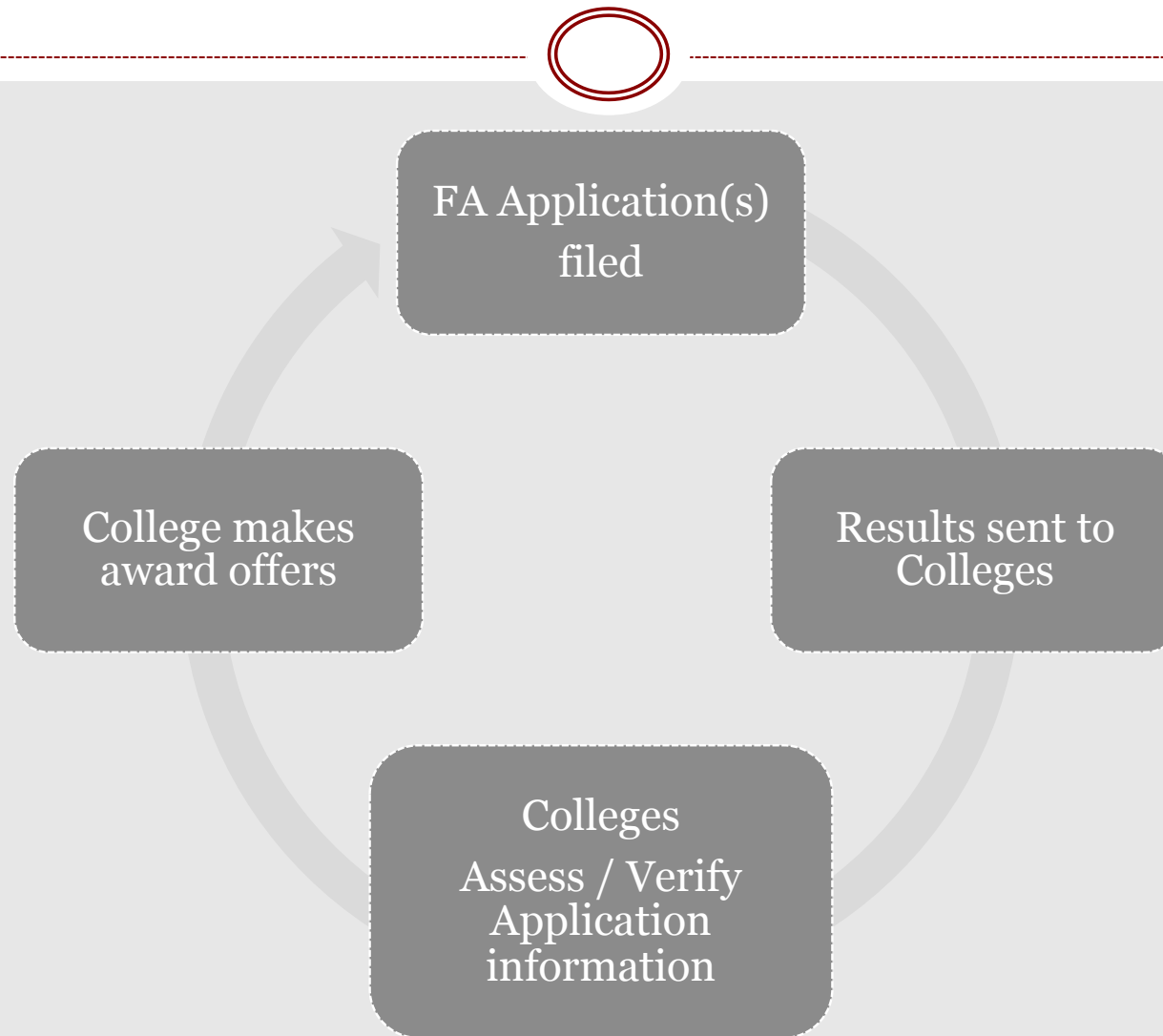
CSS Profile Basics

- css.collegeboard.org
 - Overview of application
 - Link to start your CSS Profile
- Available 10/1/2021
- Supports Institutional Methodology (IM)
Used to determine eligibility for institution specific funding
- May not be required each year, depends on institution
- 1 CSS Profile per student, not per family
- \$25 to complete one CSS Profile, \$16 each additional application

Information Requested

- Parent & Student 2020 tax information
 - Enter information manually
 - If divorced/separated, use custodial parent information
 - Some schools may require the Non-Custodial Profile (NCP) Form for divorced or separated
- Will ask for other financial information including assets, medical debt & expenses
- Will take into account personal information on family size, number in college and more

Determining Eligibility



Determining Eligibility



$$\begin{array}{r} \text{Cost of Attendance} \\ - \quad \text{Federal EFC} \\ \hline \text{Financial Need} \end{array}$$

The Cost of Attendance



- **Direct Costs**
 - Tuition and required fees
 - Room and board for resident students
- **Indirect Costs**
 - Books and supplies
 - Transportation to and from campus
 - Miscellaneous personal expenses



Expected Family Contribution (EFC)



The EFC is a measure of capacity *over time to absorb educational costs*

- Not a dollar amount expected from *current income or assets*
- Not an estimate of *extra cash available*
- Not the same as the student's bill or the amount a family will actually pay to attend college.

The Federal EFC is calculated according to a formula established by law

- The formula considers financial information reported on a student's FAFSA
- Used to calculate eligibility for the Pell Grant and other forms of federal aid and state aid.

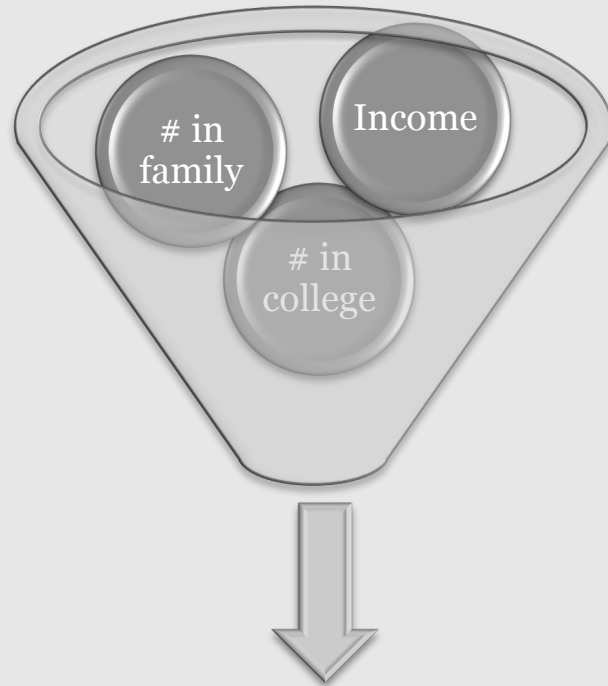
Institutions often calculate an alternate Institutional EFC to award institutional and private sources of financial assistance

- The calculation considers information reported on an application like the CSS Profile, institutional or other private forms
- Used to award institutional and private sources of financial assistance.

The EFCs are subject to school verification and adjustments

Elements of Federal Need Analysis

The FAFSA

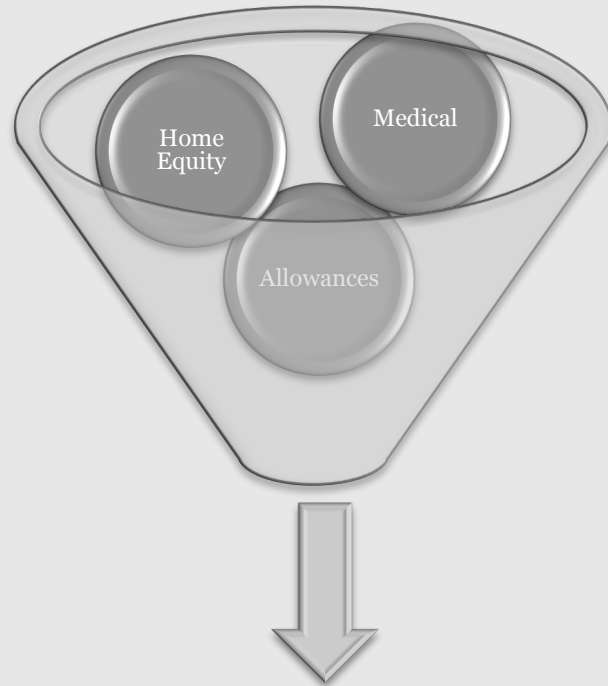


FM EFC

- Uses both parent and student information (*dependent* students)
- Parent's income is the major determinant
- Uses standard income and asset protections allowance
- Parents' assets range from 2% to 6% of total
- Students' assets range from 25% to 35% of total
- Federal Methodology (FM) does not consider Home Equity or Qualified Retirement Assets

Elements of Institutional Need Analysis

CSS Profile or Other



IM EFC

- Institutional Methodology (IM) treats income and assets differently than FM
 - Typically uses home equity
 - Protection for emergencies
 - Protection for college savings
 - May allow for medical expenses
 - May adjust for regional cost of living
- Institutional options!

Eligibility for Financial Aid

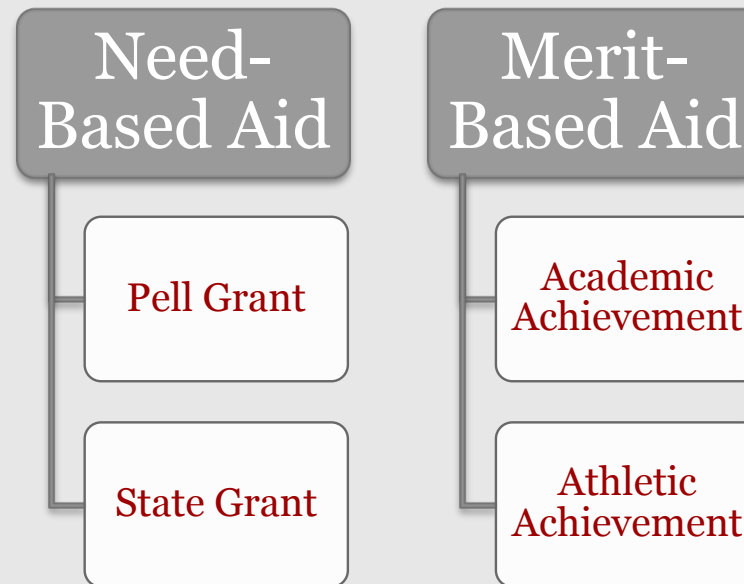


	<u>4 Year Private</u>	<u>4 Year Public</u>
Total Cost	\$54,000	\$27,000
- Federal EFC	<u>\$12,000</u>	<u>\$12,000</u>
= Financial Need	\$42,000	\$15,000

Forms of Gift Aid



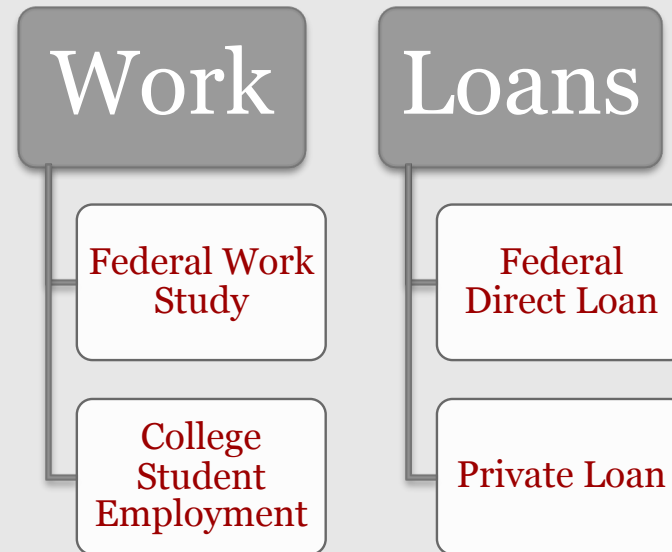
- Gift aid as a form of need-based aid is subject to a student's demonstrated financial need.
- Gift aid as a form of merit-based aid considers achievement, talent & participation, and other criteria regardless of financial need.



Forms of Self Help

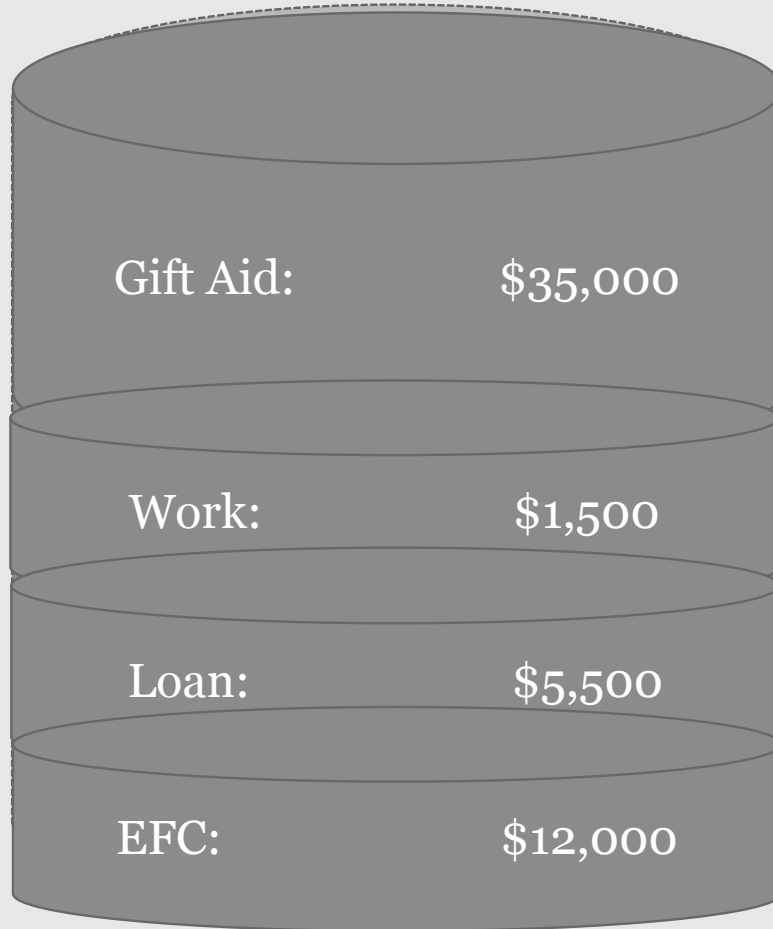


- Self-Help aid typically requires work or repayment, with some types subject to a student's demonstrated financial need.
- Student takes responsibility for this type of aid.

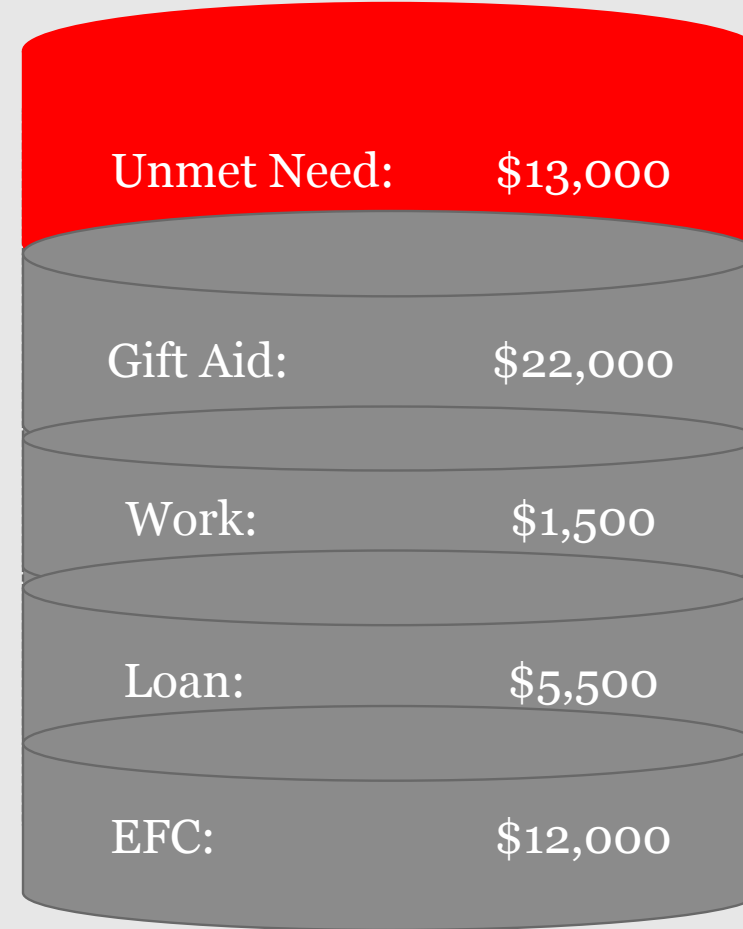


The Financial Aid Award Package

Total Cost = \$54,000



Total Cost = \$54,000

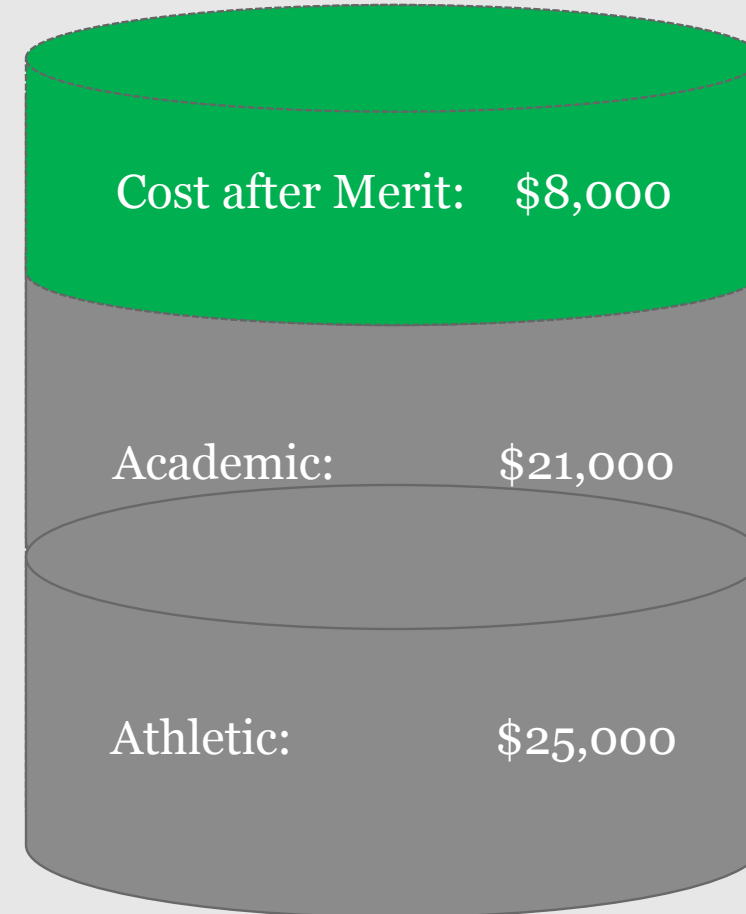


The Financial Aid Award Package

Total Cost = \$54,000



Total Cost = \$54,000

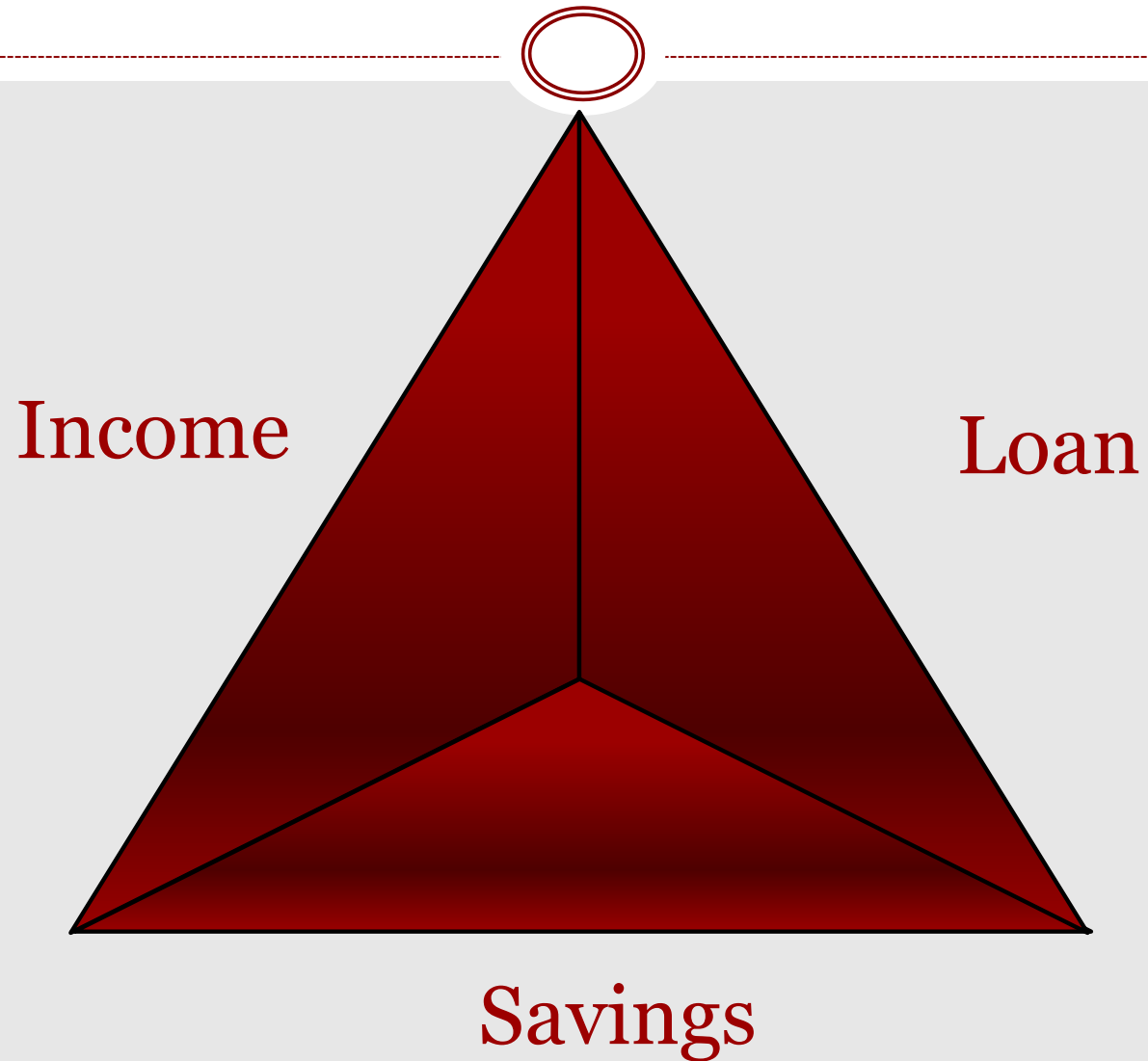


Financial Aid Reality

Total Cost of Attendance
(minus) - Gift Aid Awarded
(equals) = Family Share



Finding the Family Share



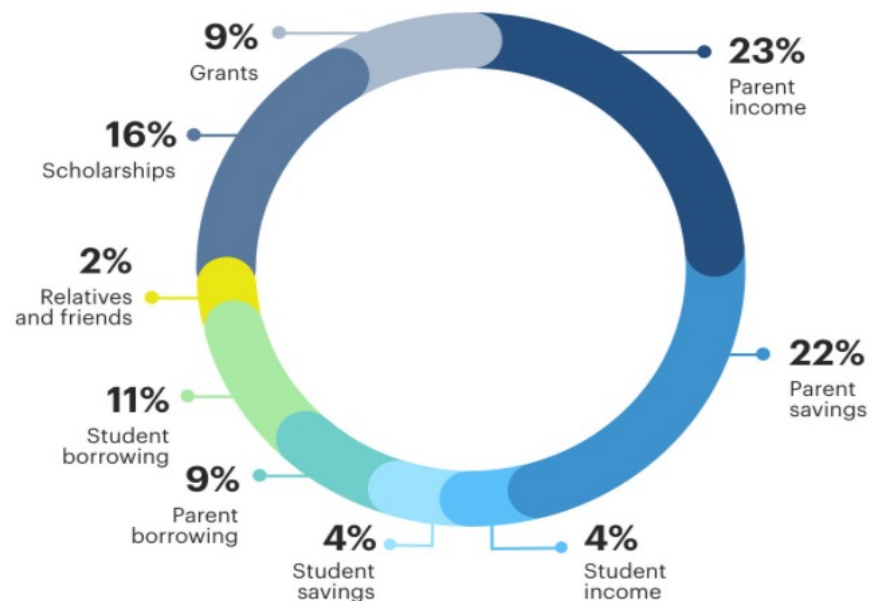
Finding the Family Share



- Ask people if they know of any private scholarships you could apply for – employer, guidance office, faith-based organizations, clubs family may belong to and local library. Do research on the web. There are many free, quality websites for scholarship searches. Be imaginative!
- Families should save as much as they can – no amount is too small!
- Sign up for monthly payment plan through the institution, generally will allow you to pay the remaining balance over 10 months.
- If you find it difficult to pay within a 10-month period, research long-term financing options.
 - Federal Parent Loan (PLUS) *Interest Rate 2021-2022 6.28%*
 - Connecticut Family Education Loan Program (CHESLA) *Interest Rate 2021-2022 4.59%*
 - Private Alternative Loan for Education
 - Personal Family Options

How America Pays for College 2021

Share of college costs paid by each funding source



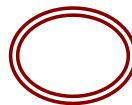
Of those who used federal student loans, **44%** expect their loans to be forgiven



Financial Aid Resources



- www.irs.gov/transcript To request a copy of your Tax Return Transcript (if unable to use data retrieval tool on FAFSA)
- Studentaid.gov To completed Federal Direct Loan paperwork and Apply for Plus Loans
- www.nasfaa.org Consumer tips for students, parents and counselors as well as financial aid tools for completing required applications and avoiding common errors
- savingforcollege.com/intro-to-529s/does-a-529-plan-affect-financial-aid Unbiased, independent resource to understand the benefits of 529 college savings plans
- <https://ww2.salliemae.com/about/leading-research/how-america-pays-for-college/> Annual report of undergraduate family's attitudes. 1,985 telephone interviews.



State of Connecticut Programs

<http://www.ctohe.org/sfa>

[Roberta B. Willis Scholarship Program](#)

[Veterans Benefits](#)

[Connecticut's Program for Free Community College](#)

Pledge to Advance CT (PACT) funds help to bridge the gap between federal and state grants to cover tuition and mandatory fees at a State of Connecticut community college. www.ct.edu/PACT

[CHESLA Loan Program](#)

The Connecticut Higher Education Supplemental Loan Authority. Provider of the Connecticut Family Education Loan Program (CHESLA). www.chesla.org

Outside Scholarships



- Consider making a specific email account
 - Juliescholarships@gmail.com
- Look for opportunities where there will be less applicants
 - Start with town, then county, then state, then national
 - Specific major, ancestry, or participation
- Notify college when you win a scholarship
 - May reduce current award from school

Potential Sources

- Guidance Office
- Local Businesses
- Civic and Community Organizations
- Ethnic & Cultural Organizations
- Parents' Employer
- Churches/Religious Groups

Outside Scholarships



- **Fast Web**
 - www.fastweb.com
- **College Board**
 - www.collegeboard.com
- **Scholarship America**
 - www.scholarshipamerica.org
- **Tuition Funding Sources**
 - <http://www.tuitionfundingsources.com/>
- **Should not pay for these applications**
- **May require information**
 - For example, a FAFSA calculated Expected Family Contribution (EFC)
 - High School Transcript
- **Renewal varies based on award**

Questions to ask and *not* assume!



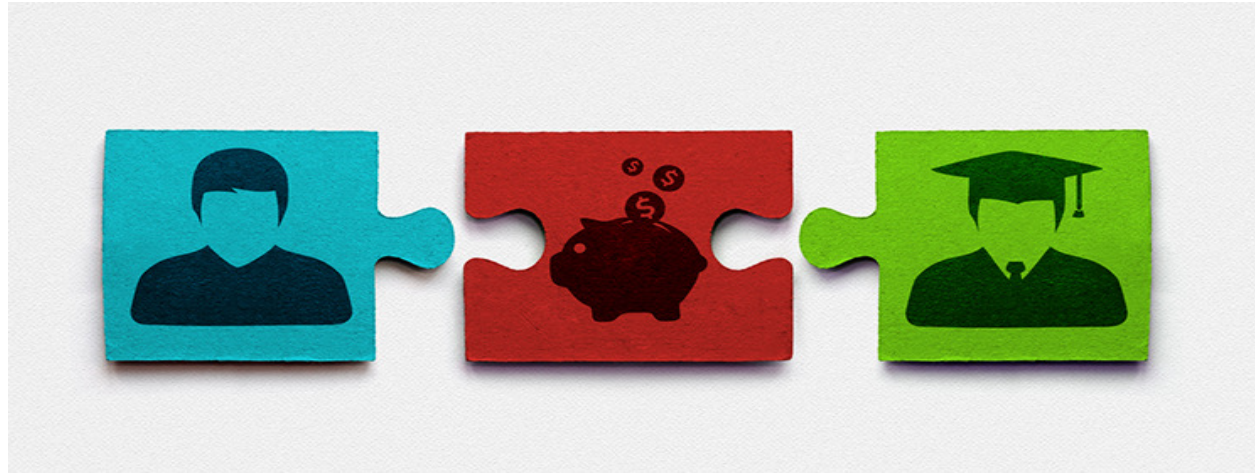
- When will I receive my financial aid award?
- How do outside awards affect the aid package?
- What is the school's policy on non-custodial parents?
- Are the scholarships/grants renewable each year?
- What happens if financial circumstances change?

Final Thoughts ...



- Never rule out a college because of cost alone.
- Many factors involved in awarding aid and result in different financial aid packages from different schools.
- Get advice — The financial aid office at the college or universities you are applying provide workshops or can give advice.
- Consider a financial “safety” school.
- Carefully review award letters as well as the Federal College Financing Plan which is available to you at all colleges.
- The best deal is not always the best fit!
- Look at all financing options – start with those suggested by the college at which the student enrolls.
- Financing plans should cover 4 years.

Understanding the College Financial Aid Process



Q & A