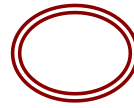


# College Financial Aid Night

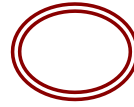


**JULIE B. SAVINO**

**EXECUTIVE DIRECTOR  
UNIVERSITY FINANCIAL ASSISTANCE**

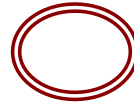
**SACRED HEART UNIVERSITY**

# Tonight's Discussion Will Highlight:



- Types of Financial Aid
- Financial Aid Application Process
- Determining Financial Aid 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.

# Types of Financial Aid

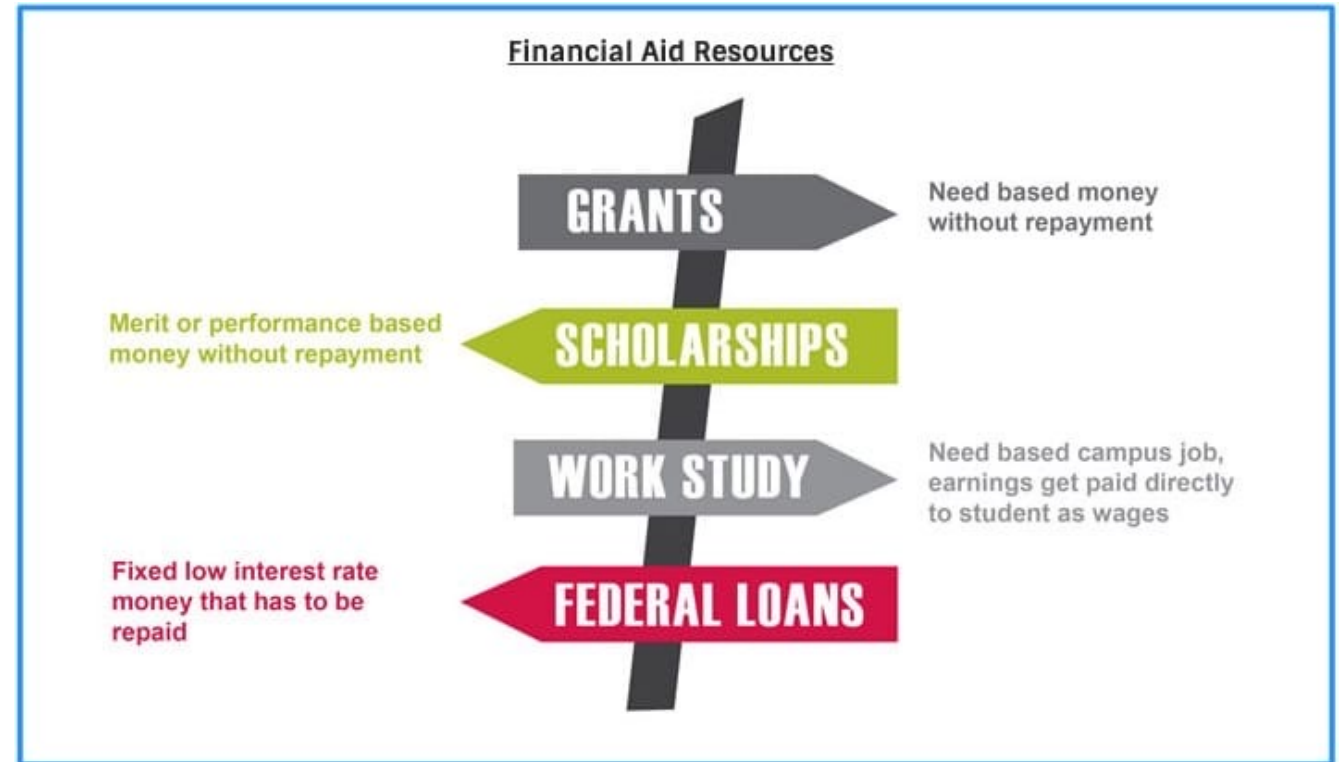
Grants

Scholarships

Work-Study Program

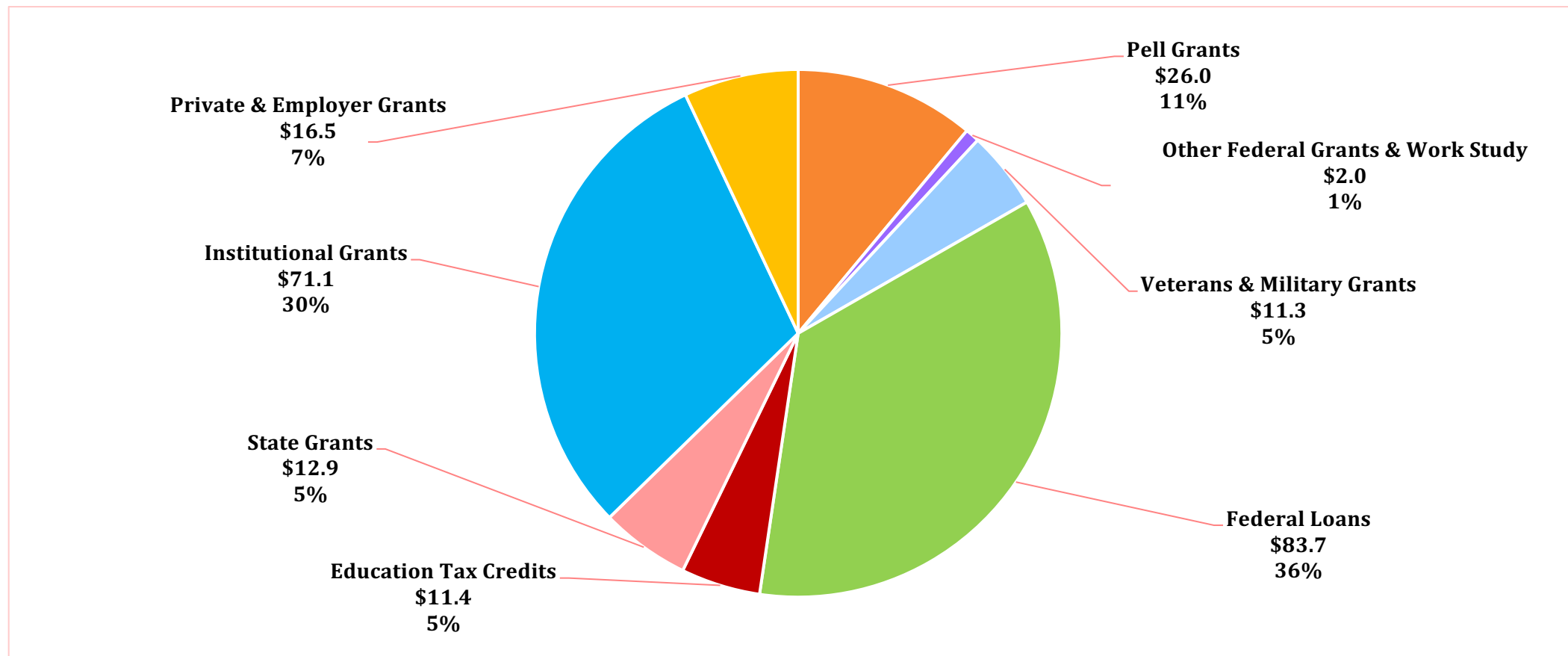
Higher Education Loans

*Students*  
*Parents*

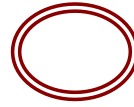


# 2020-2021 \$234.9 Billion Total Student Aid Undergraduate & Graduate

Source of Information: The College Board "Trends in Student Aid 2021"  
To learn more visit: <https://research.collegeboard.org/trends/student-aid>



# Important First Steps



Rely on College Websites for Most Up-to-Date Information!

## Consider *Admission Application & Deadlines*

- Early Decision
- Early Action
- Regular/Rolling Admission
- *You don't need to wait to be accepted before completing financial aid applications*

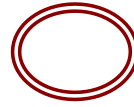
Review Required *Financial Aid Applications & Deadlines*

- 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.

# Types of 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/>

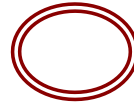
## Institutional Applications

- 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 Resources



Visit [www.studentaid.gov](http://www.studentaid.gov) and the Understand Aid tab to prepare for college and the federal student aid process.

## Learn about:

- [Types of Financial Aid](#)
- [Who Gets Aid](#)
- [Submitting a FAFSA](#)
- [How to Repay Your Loans](#)

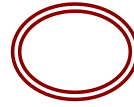
## Tools:

- [Federal Aid Estimator](#)
- [Types of Federal Aid Video](#)





# 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 Direct Student Loans and Federal Direct Parent Loans.
- **Be mindful of timing as your information needs to be confirmed with SSA**
- **Students and at least one parent need an FSA ID**
- **Create FSA ID**
  - <https://studentaid.gov/fsa-id/sign-in/landing>

## Create an Account (FSA ID)

Step 1 of 7

**Personal Information**

First Name

Middle Initial

Last Name

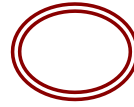
Date of Birth

Month  Day  Year

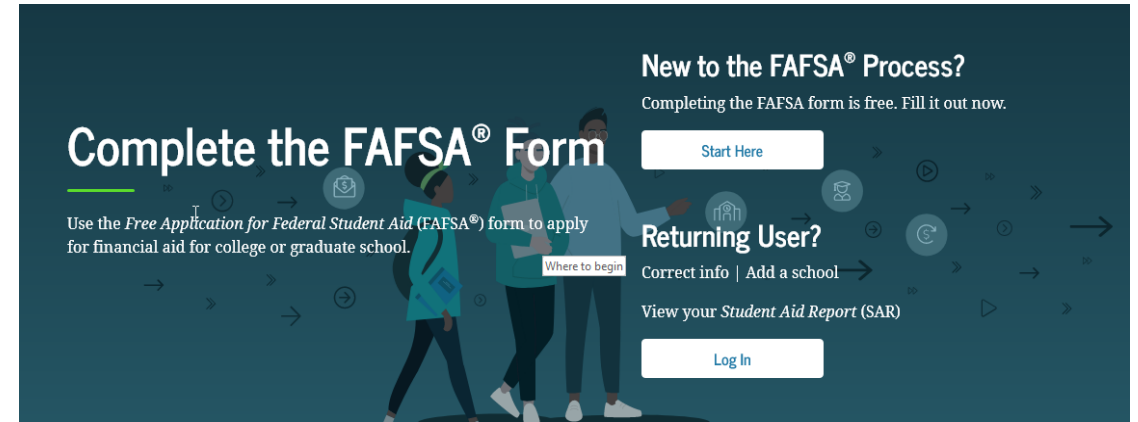
Social Security Number

**Note:** A user can only have one account associated with his or her Social Security number.

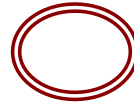
# Federal Student Aid Application Process



- FAFSA available October 1<sup>st</sup> of every year
- Parent & student tax information required
  - Use 2021 tax information
  - If divorced/separated, use custodial parent information
- Submitted each year the student is in school
- 1 FAFSA per student, not per family
- <https://studentaid.gov/h/apply-for-aid/fafsa>

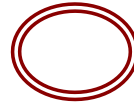


# Federal Data Retrieval Tool (DRT)



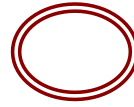
- **IRS DRT transfers parent & student tax information into the FAFSA form.**
  1. On “Parent Financial Information” page, answer DRT eligibility questions
  2. Enter Parent’s FSA ID & Click "Link to IRS" (*will leave the FAFSA website*)
  3. Link to IRS website will go through authentication process
  4. Select “Transfer My Information into the FAFSA”. (*FAFSA will note in field “transferred from the IRS”*)
  5. Repeat same process for student tax filers on “Student Financial Information” page (*if needed*)
- **Currently unable to use DRT if, on 2021 taxes:**
  - Married and filed as Married Filing Separately or 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 (SAR) for errors
  - If necessary, make corrections and resubmit FAFSA
  - If selected for verification, you will be notified
    - You may be required to submit tax transcripts and/or other forms to verify data to the college
    - Financial aid awards are tentative until verification is complete
- If 2021 tax information is not representative of your current income, contact each school about an appeal/professional judgement
  - Do not alter FAFSA information on your own

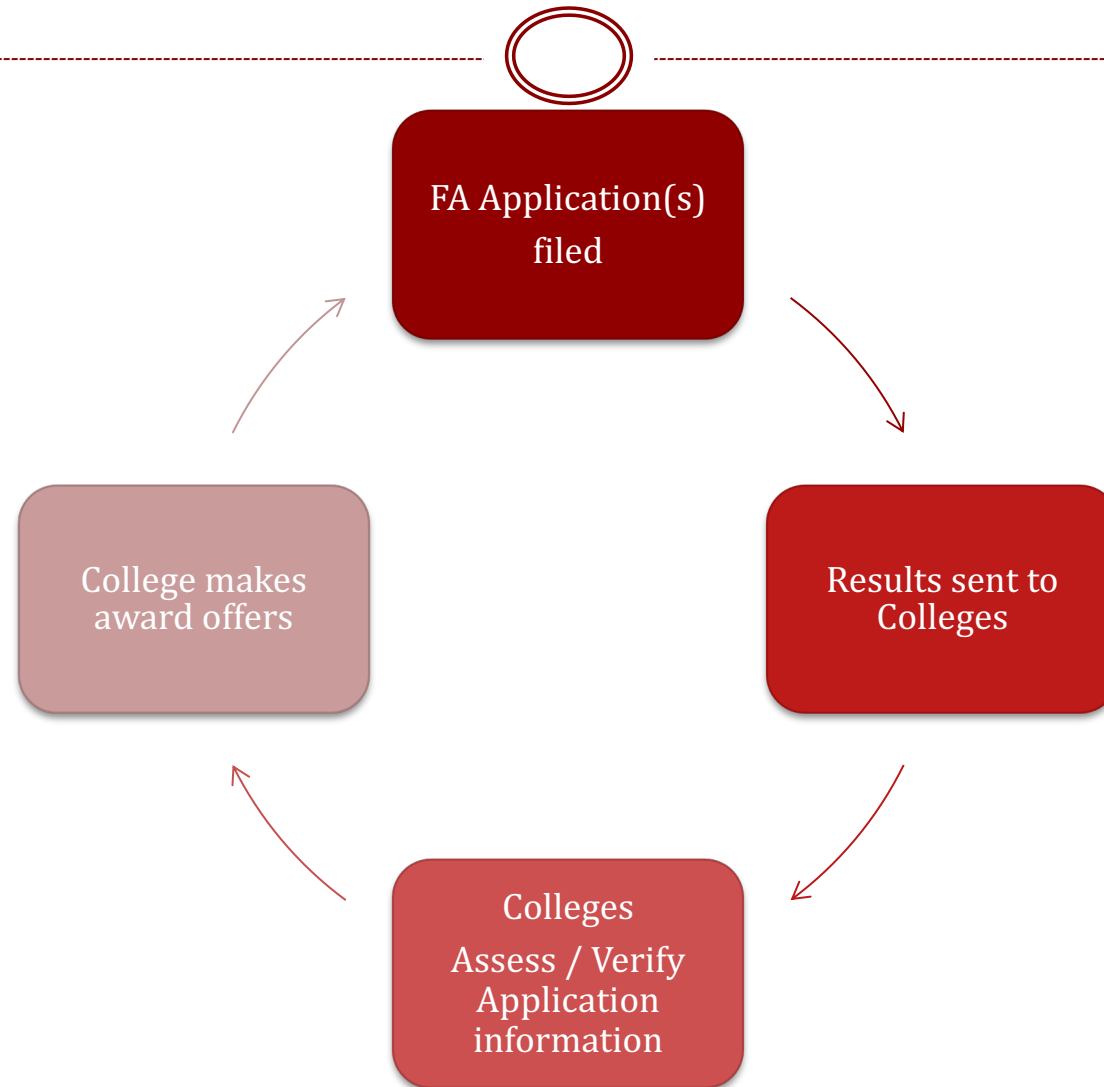
# CSS Profile Application Process



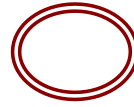
- Available October 1<sup>st</sup> of every year
- Parent & student tax information required
  - If divorced/separated, use custodial parent information
  - Some schools may require Non-Custodial Parent Profile
- 1 Profile per student, not per family
- \$25 fee for first application submission, \$16 for each submission after
- Institutions may 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
- [www.collegeboard.org](http://www.collegeboard.org)



# Financial Aid Process



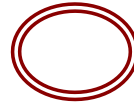
# Determining Eligibility



Schools utilize the following equation to determine your financial aid needs:

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

# The Cost of Attendance



$$\text{Direct Costs} + \text{Indirect Costs} = \text{Total Cost of Attendance}$$

## Direct Costs

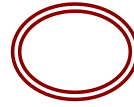
- Tuition and mandatory fees
- Room and board for resident students

## Indirect Costs

- Books and supplies
- Transportation to and from campus
- Miscellaneous personal expenses



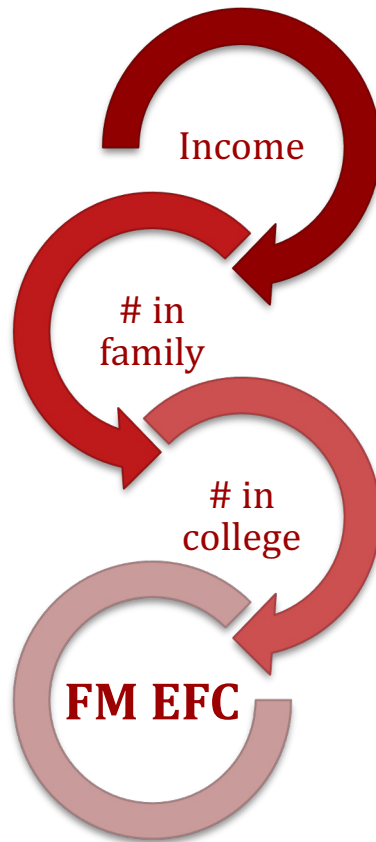
# What Is The Expected Family Contribution? (EFC)



- The EFC is a measure of family's financial strength and is calculated according to a formula established by law
- 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.
- It is a number used by your school to calculate the amount of federal student aid you are eligible to receive, need based institutional grants, endowment etc.
- *The EFC is subject to school verification and adjustments*

# Elements of Federal Need Analysis

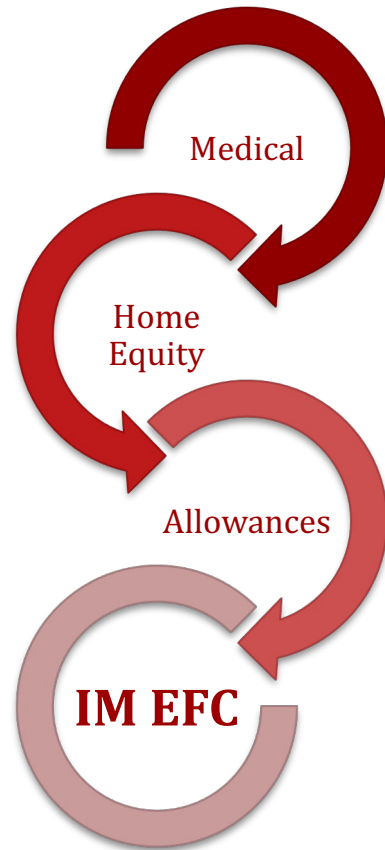
## The FAFSA



- 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

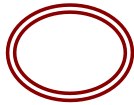
# Elements of Institutional Need Analysis

CSS Profile or Other



- 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!

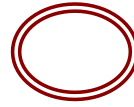
# Financial Aid Eligibility



Financial aid packages will differ by school even though the Federal EFC remains the same.

	Total Cost -	Federal EFC =	Financial Need
Private School	\$54,000 -	\$12,000 =	\$42,000
Public School	\$27,000 -	\$12,000 =	\$15,000

# What is Gift Aid?



Gift Aid are forms of financial aid that do not need to be paid back. Types of gift aid include:

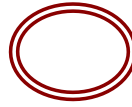
Need-Based

- Federal Pell Grant
- State Grant

Merit-Based

- Academic Achievement
- Athletic Achievement

# Self Help Aid



Self-Help aid typically requires work or repayment, with some types subject to a student's demonstrated financial need.

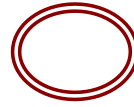
## Work

- Federal Work Study
- College Student Employment

## Loans

- Federal Direct Loan
- Private Loan

# Student Loans

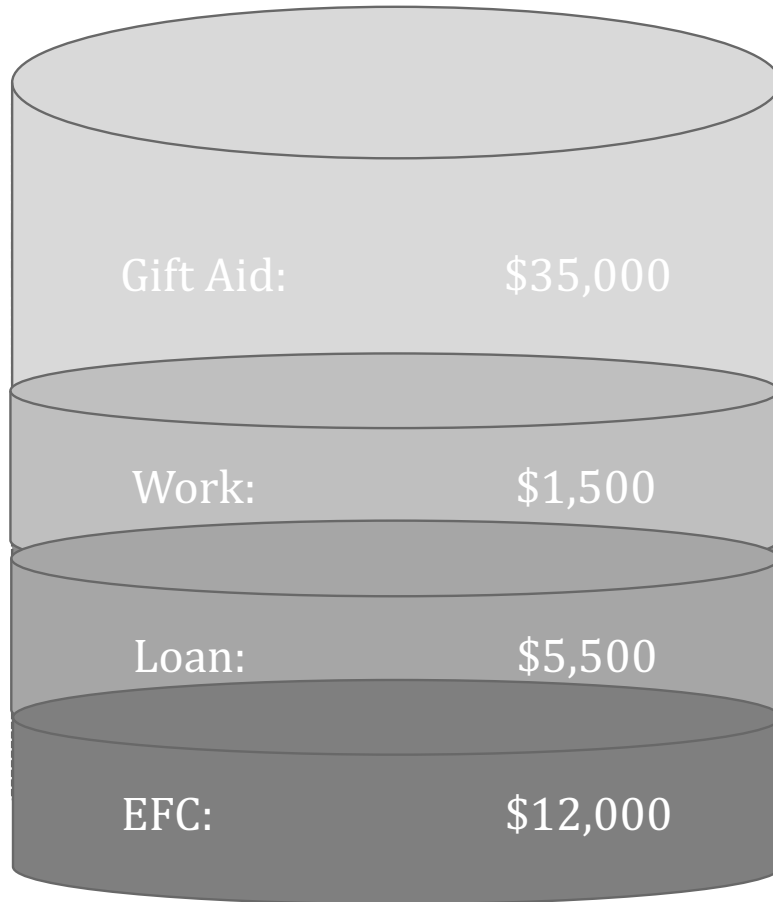


A significant percentage of college students utilize loans to finance their education. Loan options available to you include:

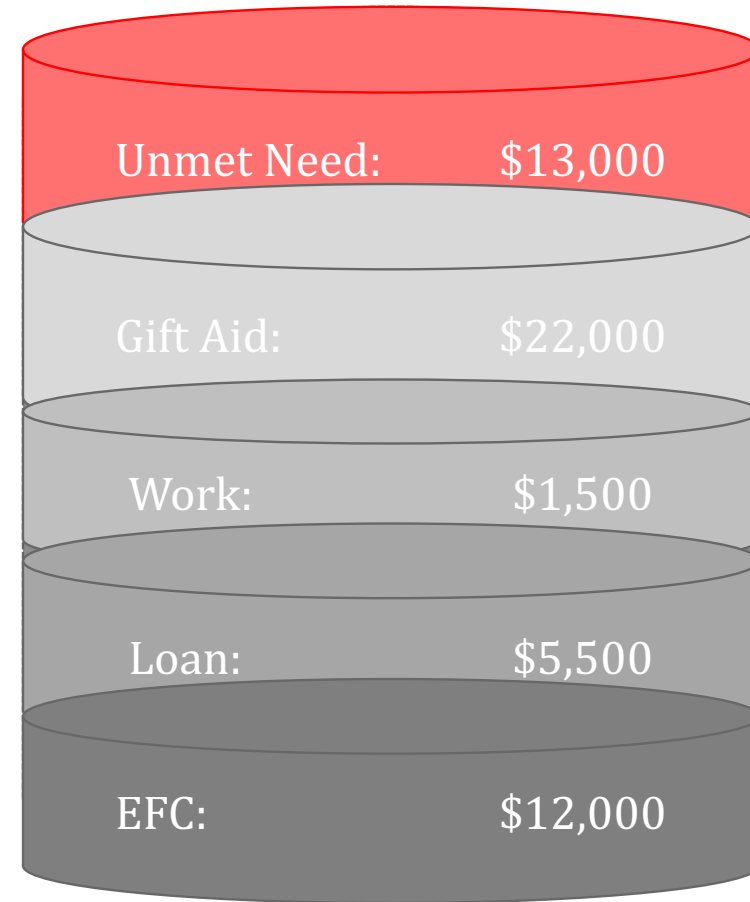
- **Federal Direct Student Loan**
  - Solely in the student's name
  - Subsidized vs. Unsubsidized
  - No credit check, student cannot be in default on a previous loan
- **Federal Parent PLUS Loan**
  - Solely in the parent's name
  - Requires a credit check
- **Private Loan**
  - Student requires a co-signer
  - Requires a credit check

# The Financial Aid Award Package

Total Cost = \$54,000



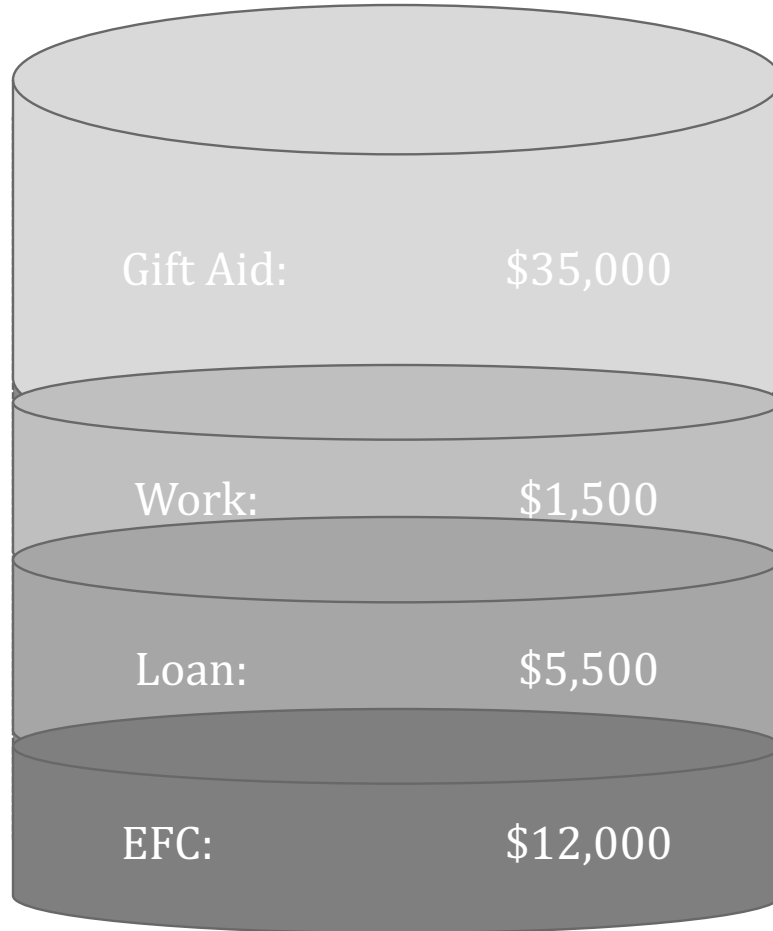
Total Cost = \$54,000



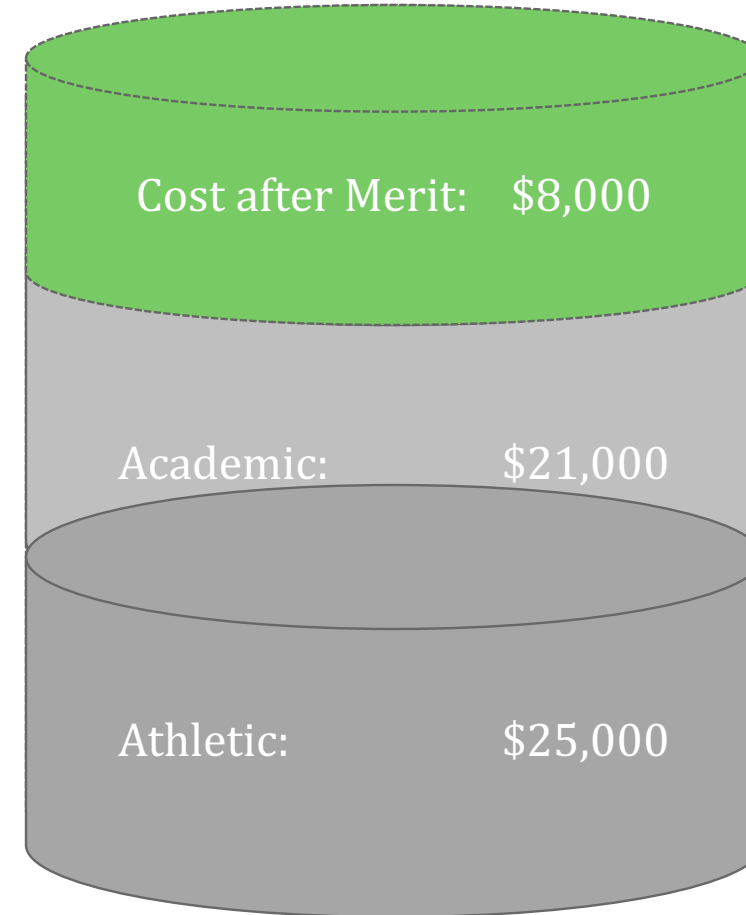


# The Financial Aid Award Package

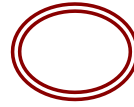
Total Cost = \$54,000



Total Cost = \$54,000

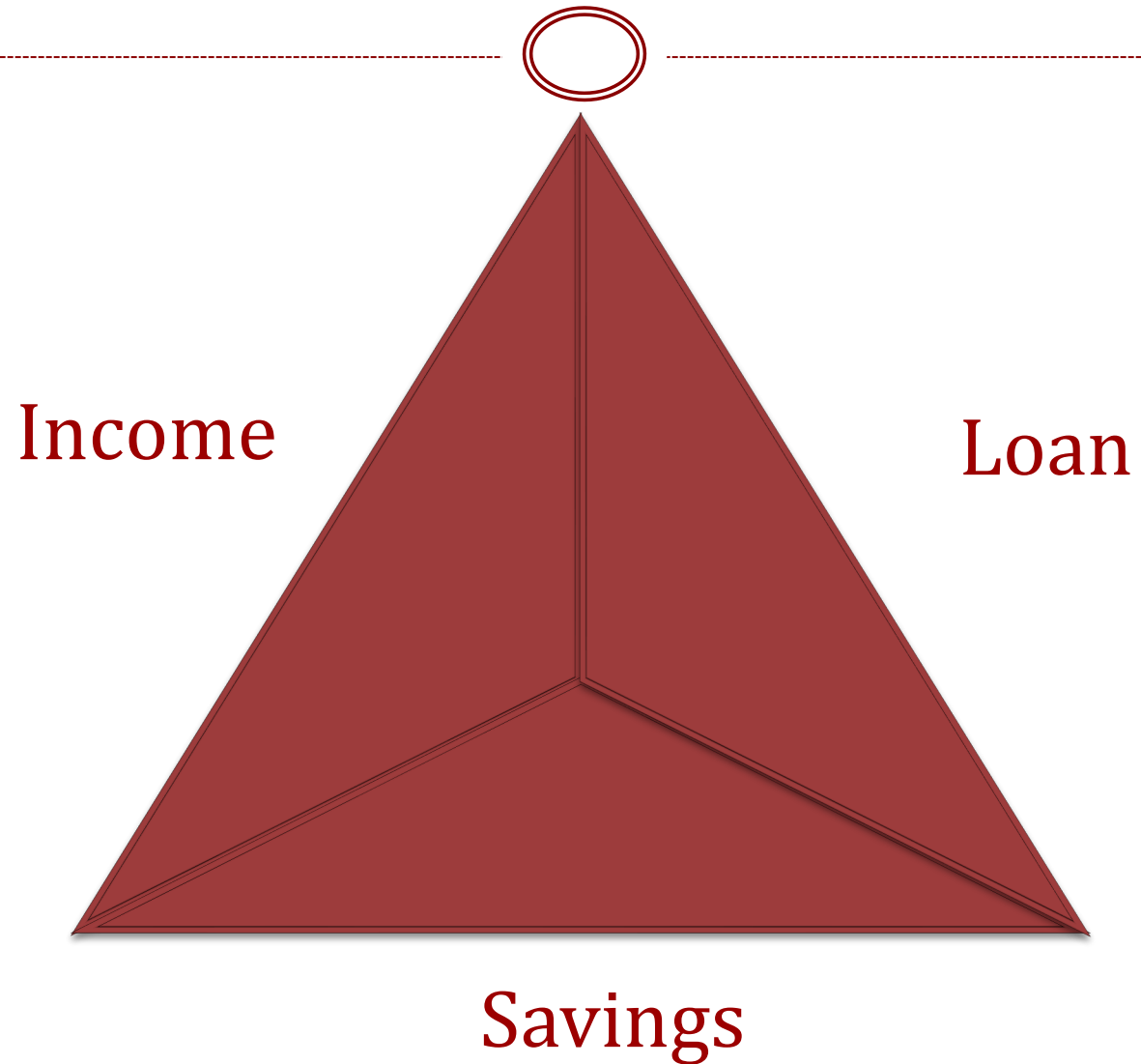


# Financial Aid Reality

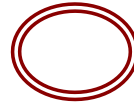


$$\begin{array}{r} \text{Total Cost of Attendance} \\ - \text{Gift Aid Awarded} \\ \hline \text{Family Share} \end{array}$$

# Finding the Family Share

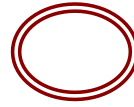


# Finding the Family Share



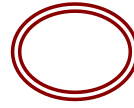
- Ask people if they know of any private scholarships you could apply for – employer, guidance office, faith-based organizations, clubs family may belong to and local library. Do research on the web. There are many free, quality websites for scholarship searches. Be imaginative!
- Families should save 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

# Financial Aid Resources



- [www.irs.gov/transcript](http://www.irs.gov/transcript) To request a copy of your Tax Return Transcript (if unable to use data retrieval tool on FAFSA)
- [Studentaid.gov](http://Studentaid.gov) To completed Federal Direct Loan paperwork and Apply for Plus Loans
- [www.nasfaa.org](http://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](http://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.

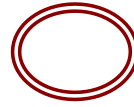
# State of Connecticut Programs



- **Connecticut Office of Higher Education**
  - Roberta B. Willis Scholarship Program
  - Veterans Benefits
  - [www.ctohe.org/SFA](http://www.ctohe.org/SFA)
- **CHELSLA Loan Program**
  - The CT Higher Education Supplemental Loan Authority
  - [www.chesla.org](http://www.chesla.org)
- **CT's Program for Free Community College**
  - <https://www.ct.edu/PACT>



# Outside Scholarships



Seek opportunities where there may be less applicants: Town/City, County, State

## Potential Sources:

- Local businesses
- School guidance office
- Civic and community organizations
- Ethnic & cultural organizations
- Parents' employer
- Churches/religious groups

## Online Resources:

[Tuition Funding Sources](#)

[Fast Web](#)

[School Soup](#)

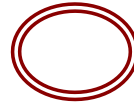
[Admission Hook](#)

[Scholarship America](#)

Consider making a specific email account

[Juliescholarships@gmail.com](mailto:Juliescholarships@gmail.com)

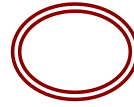
# Questions to ask and *not* assume!



- 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?



# Tips & Thoughts



1. Consider a financial “safety” school
2. The best deal is not always the best fit!
3. Keep in mind your financing plan should cover the 4 year education
4. Appeal with financial aid counselors if circumstances change
5. Spend time with scholarship and grant search tools – they make a difference!
6. Many factors involved in awarding aid and result in different financial aid packages from different schools
7. Carefully review award letters as well as the Federal College Financing Plan which is available to you at all colleges

**Questions?**