

Financing Education Beyond High School



Topics We Will Discuss Tonight

- What is financial aid?
- Cost of Attendance (COA)
- Expected family contribution (EFC)
- Definition of financial need and how it is determined
- Categories, types and sources of financial aid
- How to apply for financial aid
- Free Application for Federal Student Aid (FAFSA)
- Special Circumstances

What is Financial Aid?



Funds available to students and families to help them pay for postsecondary educational expenses.



What is Cost of Attendance (COA)?

- Direct costs (pay to the school)
 - Tuition & Fees
 - Room & Board
- Indirect costs (costs associated with attending school)
 - Books & Supplies
 - Transportation
 - Miscellaneous personal expenses
- Direct and indirect costs combined into cost of attendance
- Vary widely from college to college

What is the Expected Family Contribution (EFC)?

- Two components
 - Parent contribution
 - Student contribution
- Calculated using FAFSA data and a federal formula. Main components are:
 - Family size
 - # in college
 - Students income/assets
 - Parents income/assets
- Amount the family can reasonable be expected to contribute
- Stays the same regardless of college choice
- Colleges use EFC to award financial aid

www.fafsa4caster.ed.gov

What is Financial Need?

Cost of Attendance (COA)

- Expected Family Contribution (EFC)

= Financial Need

Types of Financial Aid

Gift Assistance

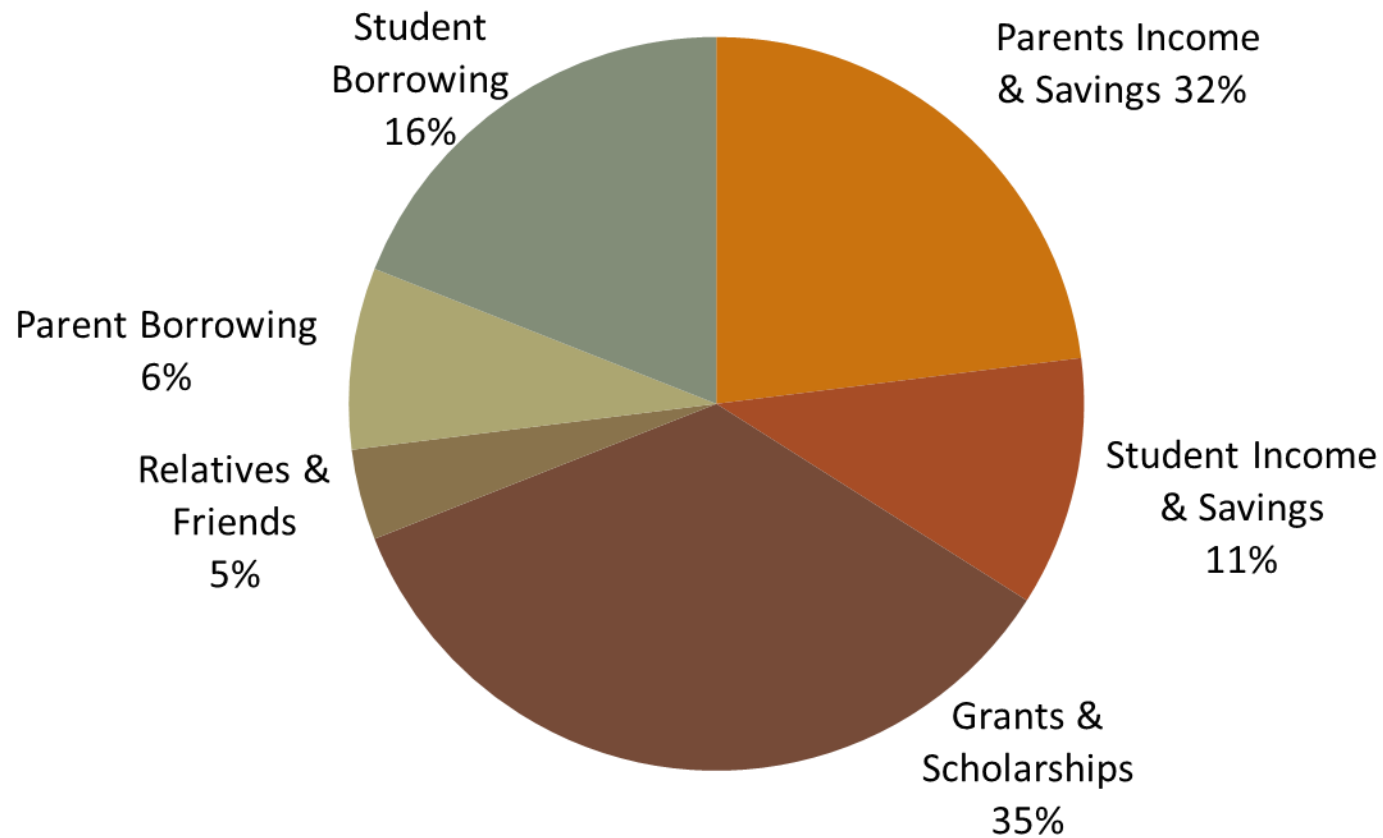
- Scholarships
- Grants

Self-help

- Loans
- Employment

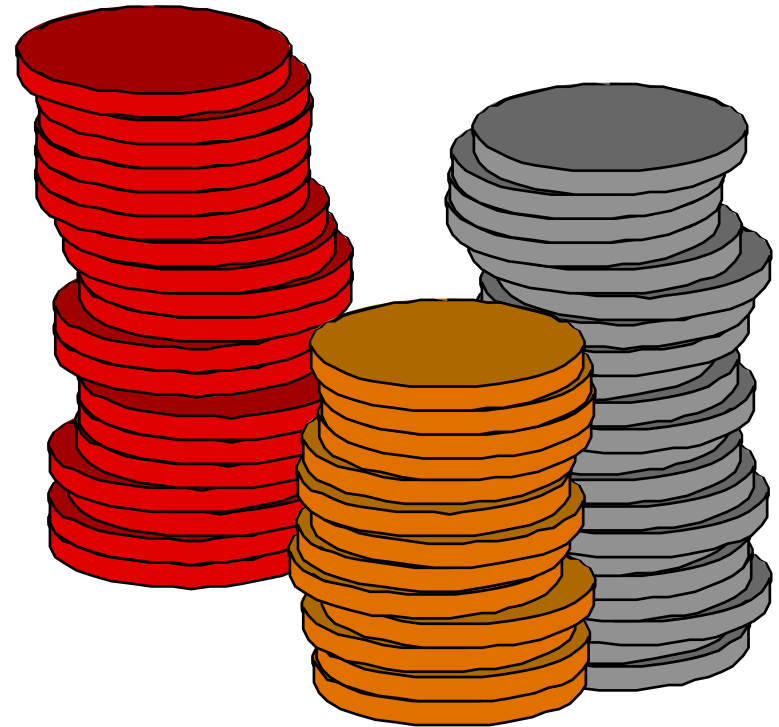


How the Typical Family Pays for College



Sources of Financial Aid

- Federal Government Programs
 - State Government Programs
 - Institutional Programs
 - Community Programs
 - National Programs
- www.fastweb.com
 - www.collegeboard.com
 - www.finaid.org



Federal Government Aid Programs

- Pell Grant
- Supplemental Education Opportunity Grant (SEOG)
- TEACH Grant

- Federal Direct Stafford Loans
- Federal PLUS Loans
- Federal Work Study

- Largest source of financial aid
- Aid awarded primarily on the basis of financial need
- Must apply every year using the FAFSA

State Programs

- Residency Requirements
- Award aid on the basis of merit and need
- Use information from the FAFSA
- Deadlines vary by state; check for deadline on FAFSA website (www.fafsa.gov).

You may be eligible for aid, but...

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FAFSA™
Free Application for Federal Student Aid



The screenshot shows the FAFSA website homepage. At the top, there is a navigation bar with icons for Home, About Us, PII Site, Student Aid on the Web, and Help. A search bar is located to the right of these icons. Below the navigation bar is a blue banner with the text "Get help paying for college" and "Submit a Free Application for Federal Student Aid (FAFSA)". Underneath the banner is a row of four photos of diverse college students. Below the photos are two main sections: "New to the FAFSA?" with a "Start A New FAFSA" button, and "Returning User?" with a "Login" button and a list of actions: "Make a correction", "Add a school", and "View your Student Aid Report (SAR), and more...".

You must apply to find out!

- Everyone will be eligible for a form of student loan.
- Apply it is FREE!

Deadlines

Information about your deadlines.

School Code Search

Find your college's school code. Also find detailed information about your college.

FAFSA Filing Options

Learn about the other options for filing your FAFSA.

Announcements

- Use the [IRS Data Retrieval Tool](#) to update your FAFSA with IRS tax return information.

If you have already submitted a FAFSA and would like to use the Tool, click [Login](#) to start a correction. Once in the FAFSA, navigate to the "Finance" section, where the

Thinking About College?



Use [FAFSA4caster](#) to see how federal student aid can help you pay for college!



Watch real students share why they are going to college.

Site Last Updated: Saturday, September 22, 2012

Due to scheduled site maintenance, FAFSA on the Web will be unavailable every Sunday from 5 a.m. to 9 a.m. (Eastern Time). We apologize for any inconvenience this may cause.

Financial Aid Truth



How to Apply for Financial Aid

EASY AS 1-2-3



Free Application for Federal Student Aid (FAFSA)

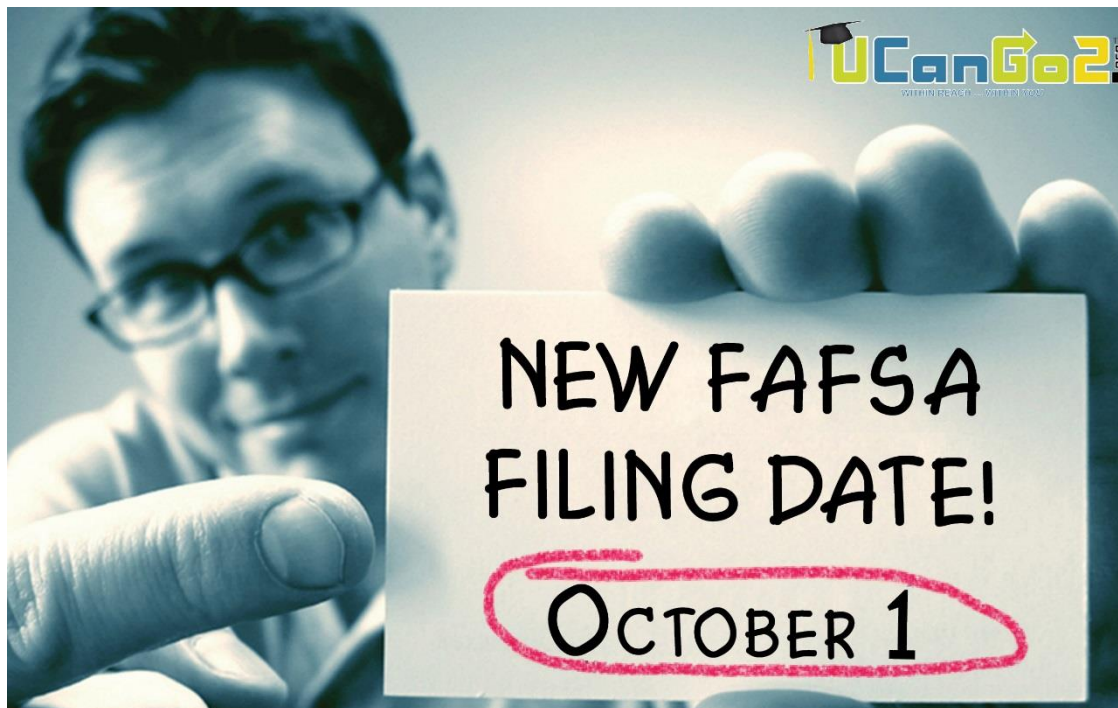
A standard form that collects family's demographic and financial information used to calculate the student's EFC (*available in English and Spanish*)

How to apply

- FAFSA on the web at www.fafsa.gov

FAFSA

- Colleges may set FAFSA filing deadlines.



FAFSA On the Web (FOTW)

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Home



About Us



PIN Site



StudentAid.gov



Help

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Website: www.fafsa.gov

- 2019-20 FAFSA on the Web available on October 1, 2018
- FAFSA on the Web Worksheet:
 - Used as “pre-application” worksheet
 - Questions follow order of FAFSA on the Web

FAFSA on the Web

Good reasons to file electronically:

- Built-in edits to prevent costly errors
- Skip-logic allows student and/or parent to skip unnecessary questions
- Option to use Internal Revenue Service (IRS) Data Retrieval Tool to import tax data
- More detailed instructions and “help” for common questions
- More timely submission of original application and any corrections
- Ability to check application status online
- Simplified application process in the future

FAFSA STEPS

- Student Demographics
- School Selection
- Dependency Status
- Parent Demographics
- Financial Information
- Sign & Submit!
- Confirmation

Items needed to complete the FAFSA

- Student and Parent Social Security numbers
- Student Driver's license
- Student and Parent tax return and W-2 Information
- Student and Parent current bank statements
- Current Business and investment information, business and farm records, stock, bond and other investment records

IRS Data Retrieval

- While completing FOTW, applicant may submit real-time request to IRS for tax data
- IRS will authenticate taxpayer's identity
- If match found, IRS sends real-time results to applicant in new window
- Applicant chooses whether or not to transfer data to FOTW

IRS Data Retrieval

- Participation is voluntary
- Reduces documents requested by financial aid office
- Reasons you cannot use the IRS DRT
 - Filed an amended return
 - No SSN entered
 - Student/parent married but filing separately

ASSETS - INCLUDED

- Stocks, bonds, CD's, mutual funds, stock options, other securities
- UGMA/UTMA accounts
- Coverdell Savings accounts
- 529 Plans
- Real Estate (but not the home you live in)
- Trust Funds

ASSETS – NOT INCLUDED

- Value of home, car, boats, etc.
- Value of life insurance
- Value of Retirement plans (401K/403b)
 - Amount contributed in the past year = untaxed income
- Pension funds
- Annuities
- Traditional (non-educational) IRA's, Keogh plans
- Roth IRA

Dependent vs. Independent Students

- At least 24 years old by Dec. 31st of award year;
- Graduate or professional student;
- Married;
- Has children or dependents (in which the student provides over 50% of their support);
- Veteran of the U.S. Armed forces or currently serving on active duty
- At age 13 or older, both parents deceased, in foster care or a ward/dependent of the court;
- Emancipated minor (determined by court in state of legal residence)
- In legal guardianship (determined by a court in state of legal residence)
- Homeless

List up to 10 schools to receive FAFSA data

Federal School Code for each school

- 6 digit number for all schools
- Housing plans for each school

SECTION 5 - SCHOOLS TO RECEIVE INFORMATION

Federal School Codes If you do not know the school code, write the school's name. You will have a chance online to search for the school code.	1st school code (Q97.a)	2nd school code (Q97.c)	3rd school code (Q97.e)	4th school code (Q97.g)	5th school code (Q97.i)	6th school code (Q97.k)
For each school code, indicate the corresponding housing plan.	1st school code (Q97.b) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	2nd school code (Q97.d) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	3rd school code (Q97.f) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	4th school code (Q97.h) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	5th school code (Q97.j) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	6th school code (Q97.l) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent

Signatures

Required

- Student
- One parent (dependent students)

Format

- Electronic using FSA ID
- Signature page
- Paper FAFSA

FSA ID

- <https://fsaid.ed.gov>
- Sign FAFSA electronically
- Not required, but speeds processing
- May be used by students and parents throughout aid process, including subsequent school years
- Only the owner should create a FSA ID

English | Español

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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

Confirm E-mail

Username *

Password *

Numbers Uppercase Letters Lowercase Letters Special Characters 8-30 Characters Show Text

Confirm Password *

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](#)

CONTINUE

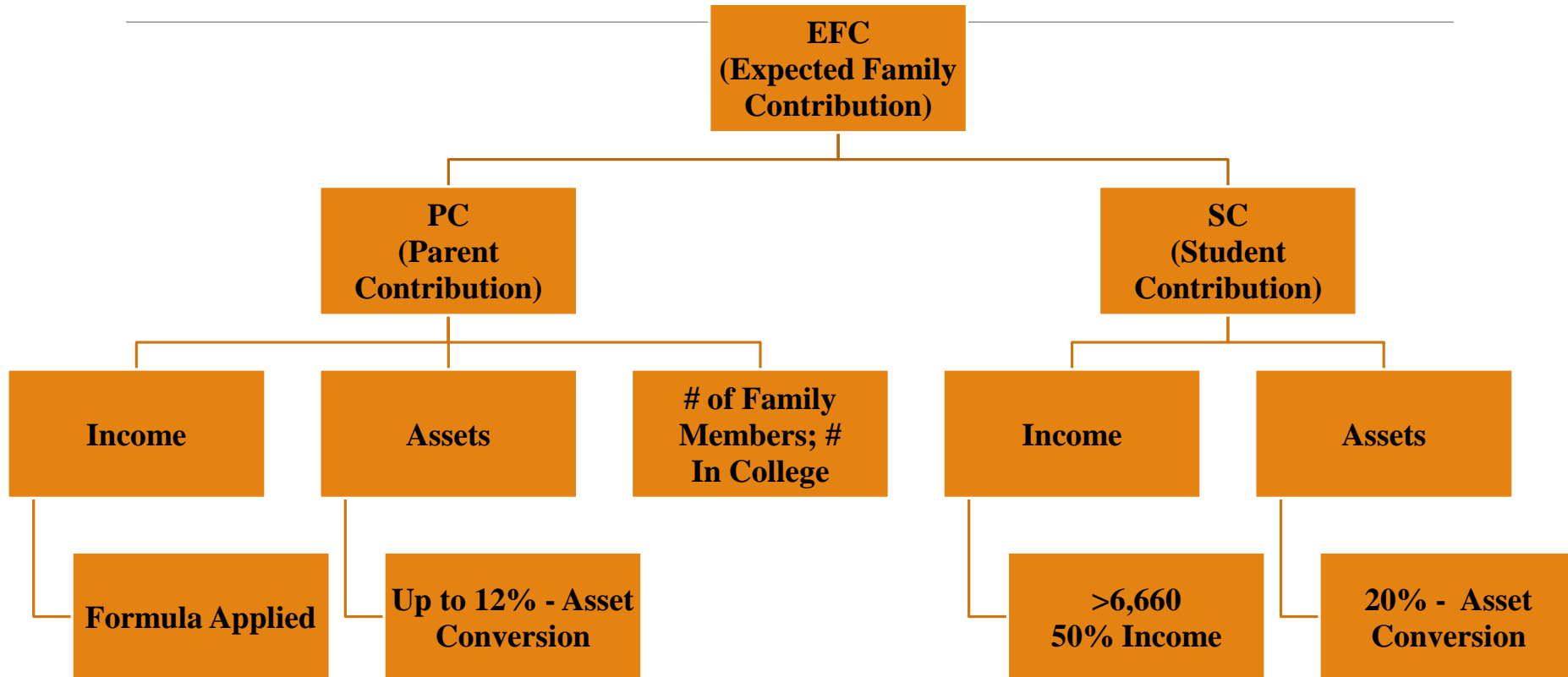
Student Aid Report (SAR)

- Email notification sent to the student after FAFSA has been processed
- Summarizes all information reported on FAFSA
- Informs family of the EFC (expected family contribution)
- Sent to all schools listed on the FAFSA



Student is able to return to www.fafsa.gov and make corrections (must have FSA ID)

EFC Components



College Goal Wisconsin

- Free program to help families complete the FAFSA
 - Monday: October 8, 15, 22, 29
 November 5
 - Wednesday: October 3, 10, 17, 24
 November 7
 - Thursday: November 8
- 6 M start time
 - \$30,000 + in scholarship will be awarded
 - 44 sites throughout Wisconsin

For location information: visit www.collegegoalwi.org



Financial Need Varies Based on Cost

Cost of Education = Tuition and fees
+ Books and Supplies
+ Room and Board
+ Personal and Travel
+ Miscellaneous Expenses

Cost of Education - EFC (expected family contribution) = Financial Need

Example #1 (EFC = \$10,000)

\$30,000	-	\$10,000	=	\$20,000
\$19,000	-	\$10,000	=	\$ 9,000
\$12,000	-	\$10,000	=	\$ 2,000

Role of Financial Aid Office

- Determine aid eligibility using federal formula
- Colleges use EFC to award financial aid
- Packages aid depending on availability of funds
- Sends award notifications including:
 - Award amount for each program for which the student is eligible

Financial Aid Timeline: 2019-20

October – December

- Complete admissions application
- Complete any other documents from colleges
- Discuss any items with your admissions counselor
- File FAFSA!!

January – May

- Review all financial aid awards
- Ask questions
- Make final decision

Frequent FAFSA Errors

- Parent and student social security numbers
- Divorce/remarried parent information
- Income earned by parents/stepparents
- Untaxed Income
- Income Taxes Paid
- Household size & number in college
- Real estate and investment net worth
- Not using real name

CAUTION

Avoid Scams

- Don't pay a fee to file the FAFSA
 - First "F" means FREE
 - www.fafsa.gov
 - (Was www.fafsa.ed.gov)
-
- Watch the scholarship searches
 - Don't pay a fee

Special Circumstances

- Cannot report on FAFSA
- Send explanation to Financial Aid Office at each school
- College will review special circumstances
- May have a specific form
- May request additional documentation

Special Circumstances

- Change in employment status
- Medical expenses not covered by insurance
- Change in parental marital status
- Expenses related to a student's disability

Tips for Applying for Financial Aid

- FAFSA deadline (apply as early as possible)
- Additional required forms
- Beginning cost before financial aid
- Ending cost after gift assistance
- Compare apples to apples!
- Financial aid in future years
- Cost increases
- Payment plan options
- Outside Scholarship benefit

Website for information

www.studentaid.ed.gov

Federal Student Loans

Direct Stafford Loans

- Subsidized Direct Stafford: Must demonstrate “need”
- Unsubsidized Direct Stafford: Not based on “need”
- Undergraduate annual loan limits (Sub/Unsub):
 - \$5,500 for 1st year
 - \$6,500 for 2nd year
 - \$7,500 for each remaining
- Fixed interest rate
- 6-month grace period
- 10 year repayment period

Federal PLUS Loans

- Loan program for parents of dependent, undergraduate students
- Fixed interest rate
- Repayment begins 60 days after loan is fully disbursed
- Annual loan limit: Cost of Attendance minus all other aid

Alternative/Private Loans

- Private loans
 - Student's loan
- Co-signer
- Variable or Fixed Interest rates
 - Typically based on Prime or T-bill
- Repayment typically after education ends

Questions? Thank You!

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