

National Association of Student
Financial Aid Administrators

What You Need to Know About Financial Aid

© NASFAA 2008



Kalamazoo College

 **N·A·S·F·A·A**
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

Topics We Will Discuss Tonight

- What is financial aid
- Free Application for Federal Student Aid (FAFSA)
- Expected Family Contribution (EFC)
- Cost of attendance (COA)
- What is financial need
- Categories, types, and sources of financial aid
- Special circumstances



What is Financial Aid?

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

You access these funds by filing a FAFSA (and possibly an additional institutional form such as CSS Profile)

These include:

- State Aid

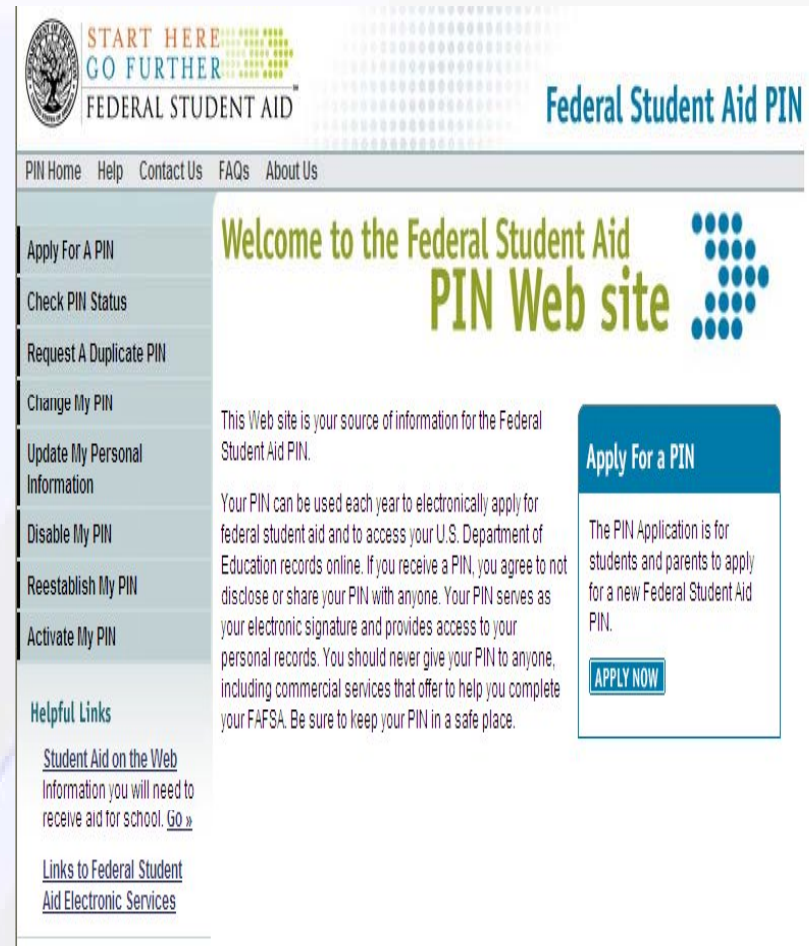
- Federal Aid

- Scholarships, Grants, Work and Loans



Filing a FAFSA

- Web site: www.pin.ed.gov
- Sign FAFSA electronically
- Can request now
- Faster processing
- Can use same student and parent PIN each year



The screenshot shows the Federal Student Aid PIN website. At the top left is the logo with the text "START HERE GO FURTHER FEDERAL STUDENT AID". To the right is the text "Federal Student Aid PIN". Below the logo is a navigation menu with links: "PIN Home", "Help", "Contact Us", "FAQs", and "About Us". The main content area features a large heading "Welcome to the Federal Student Aid PIN Web site" with a graphic of blue dots. Below this is a text box explaining the website's purpose: "This Web site is your source of information for the Federal Student Aid PIN. Your PIN can be used each year to electronically apply for federal student aid and to access your U.S. Department of Education records online. If you receive a PIN, you agree to not disclose or share your PIN with anyone. Your PIN serves as your electronic signature and provides access to your personal records. You should never give your PIN to anyone, including commercial services that offer to help you complete your FAFSA. Be sure to keep your PIN in a safe place." To the right of this text is a blue button labeled "Apply for a PIN" and a smaller blue button labeled "APPLY NOW". On the left side of the page is a vertical menu with links: "Apply For A PIN", "Check PIN Status", "Request A Duplicate PIN", "Change My PIN", "Update My Personal Information", "Disable My PIN", "Reestablish My PIN", and "Activate My PIN". Below this menu is a "Helpful Links" section with two links: "Student Aid on the Web" and "Links to Federal Student Aid Electronic Services".



FAFSA on the Web



START HERE
GO FURTHER
FEDERAL STUDENT AID™

FAFSA
Free Application for Federal Student Aid

[FAFSA Home](#) [Student Aid on the Web](#) [Application Deadlines](#) [PIN Site](#) [Help](#) [Contact Us](#) [FAQs](#) [Site Map](#) [About Us](#)

- Web site: www.fafsa.ed.gov
- 2009-10 FAFSA available January 1, 2009
- FAFSA on the Web Worksheet:
 - 8 page “pre-application” worksheet with instructions
 - 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
- More timely submission of original application and any necessary corrections
- More detailed instructions and “help” for common questions
- Ability to check application status on-line
- Simplified application process in the future



Frequent FAFSA Errors

- Social Security Numbers
- Divorced/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
- Do NOT include 401K or 403B or IRA



Kalamazoo College

Slide 7

© NASFAA 2008

Financial Aid and Admission Information

- If your student doesn't supply the Admission office with their social security number, the Office of Financial Aid will have difficulty matching them to receive an aid package.

Student Aid Report

- Review data for accuracy
- Update estimated information when actual figures are available



FAFSA Processing Results

- Institutional Student Information Record (ISIR) sent to colleges listed on FAFSA approximately 10 to 14 days after FAFSA submitted
- College reviews ISIR
 - May request additional documentation, such as copies of federal tax returns



Making Corrections

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

- Using FAFSA on the Web if student and parent have PIN;
- Updating paper SAR (SAR Information Acknowledgement cannot be used to make corrections); or
- Submitting documentation to college's financial aid office



Kalamazoo College

Slide 11

Special Circumstances

- Cannot report on FAFSA
- Send explanation to financial aid office at each college
- College will review special circumstances
 - Request additional documentation
 - Decisions are final and cannot be appealed to U.S. Department of Education



Kalamazoo College

Slide 12

Special Circumstances

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





- **Get help filing your FAFSA for FREE on FEB. 14th 2010 from 2-4pm!**
- **Local college financial aid professionals will be available at WMU's Hayworth College of Business to work one on one with families.**
- **Not sure about college? Apply for the money now and decide later. If you wait, chances are you'll get less.**

What is the Expected Family Contribution (EFC)

- Amount family can reasonably be expected to contribute
- Stays the same regardless of college
- Two components
 - Parent contribution
 - Student contribution
- Calculated using data from a federal application form and a federal formula



What is Cost of Attendance (COA)

- Direct costs – Tuition, room and board
- Indirect costs – Books, laundry, travel
- Direct and indirect costs are combined into the cost of attendance
- Varies widely from college to college



2009/10

KVCC

WMU

K

Tuition	\$1704	\$8544	\$32743
Room/Board	5589	7544	7776
Indirect Exp.	<u>3992</u>	<u>4160</u>	<u>2343</u>
Total Cost	\$11,285	\$20,248	\$42,862

Less Expect

Family Contr.

\$6000

\$6000

\$6000

Student's Need

\$5285

\$14,248

\$36,862



What is financial need?

- Financial need is based on the results of the FAFSA and possibly an institutional form.
- Financial aid can change when students receive institutional or outside scholarships.

Categories of Financial Aid

- Need-based – Scholarships (MCS/MTG), Grants (Pell, SEOG, ACG, SMART), Loans (Perkins, Stafford –subsidized), Employment (campus based and mentors)
- Non need-based – Scholarships (MPS, Byrd), Loans (Stafford-unsubsidized, PLUS)
- What is gift and what do you have to pay back?



Financing Your Student's Education Beyond FAFSA

- MET
- MESP
- Alternative Loans
- Scholarships from Local Organizations
- Employers
- Credit Unions
- Americorps/Gap Year Programs

Remember!

You should never have to pay:

- For information about college financial aid
- To apply for federal financial aid (FAFSA)
- To receive financial aid for college

Never give out your Social Security number or other personal information unless you know the offer is legitimate.



Kalamazoo College

 **N·A·S·F·A·A**

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS