FINANCIAL AID 101









TOPICS

>What is Financial Aid?

➢ Types of Financial Aid

Sources of Financial Aid

>What is financial need?

TOPICS

Financial Aid Eligibility

> Applying for Financial Aid

Frequent FAFSA Errors

Essentials

Contact Information

WHAT IS FINANCIAL AID?

Money provided to a student (or parents) to assist in paying for post-secondary education.

- Gift Aid and Self-Help Aid
- ➢ Need-Based and Merit-Based

TYPES OF FINANCIAL AID

Gift Aid

Grants (typically need based)
Scholarships

Self-Help Aid

> Loans

> Federal Work Study (Employment)



What is a Grant?

Money that does not have to be paid back

Usually awarded on the basis of financial need



What is a Scholarship?

- Money that does not have to be paid back
- Awarded on the basis of merit, skill, or unique characteristic



Loans

Money students and/or parents borrow to help pay college expenses

> Repayment

Varies from 60 days after disbursement to 9 months after the student is no longer attending college at least half-time

Don't borrow more than you need to meet education expenses



Federal Work Study

Is campus- based program Part –time jobs (20 hours or less) Off campus- non profit agency No annual minimum or maximum Demonstrated financial need (FAFSA) Campus- based Recipients determined by financial aid office Limited number of work study positions



Need-Based Aid

Based on the financial position of the family.

The information supplied on the FAFSA is used to determine the amount the of Expected Family Contribution – EFC.



Merit-Based Aid

Based on how well the student has performed in some area (academics, athletics, band, music, etc.).

The award has nothing to do with the financial position of the family.



SOURCES OF FINANCIAL AID









Federal Grants

Pell Grant

up to \$5,730

Federal Supplemental Educational Opportunity Grant up to \$4,000

> Teacher Education Assistance

up to \$4,000



Maryland Grants

Howard P Rawlings
 Guaranteed Access Grant (GAG) up to \$17,500
 Howard P Rawlings
 Educational Assistance Grant up to \$3,000
 Part-time Grant up to \$2,000



Finding Scholarships



Internet searches-

- High School Guidance Office-Your school's guidance office receives information about various scholarships
- College/University &http://cms.montgomerycollege.edu/edu/plain.aspx?id=5387 Financial Aid Offices-Check with the financial aid office at all of the institutions to which apply
- > Maryland
- Private (professional organizations, employers, civic organizations, etc.)

Scholarship-Internet Searches

- http://www.tuitionfundingsources.com/
- http://www.finaid.org/
- http://www.findtuition.com/
- http://www.fastweb.com/
- http://go.salliemae.com/scholarship/
- http://www.usscholarshipguide.org/



http://www.uncf.org/sections/ForStudents/SS_Scholarships/scholarships.asp



Maryland Scholarships



Delegate

Amount Varies

Amount Varies

Elected <u>officials</u>



Finding More Scholarships



Private (professional organizations, employers, civic organizations, etc.)

Based on your career goal

Inquire with your or your parent's employer

Civic organizations- NAACP, Rotary, house of worship, etc.

Federal Student Loan Programs

Perkins Loan

\$5,500 a year (not to exceed a total of \$27,500) 5% interest rate (2015-2016) Exceptional financial need Repayment begins 9 months after dropping below half-time

William D Ford Direct Student Loan (Direct Loan)

\$5,500 - 7,500 (depending on grade level) Can be subsidized or unsubsidized Repayment begins 6 months after dropping below half-time 4.29% interest rate (2015-2016)



Subsidized and Unsubsidized

Subsidized: Borrower is not responsible for the interest while in an in-school, grace, or deferment status. Must demonstrate financial need. *Interest rate* 4.66 (2015-2016)

➤ Un-subsidized: Borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan. Financial need is not required. Interest rate 4.66 (2015-2016)



Direct PLUS Loan Program

- Based on parents' credit rating
- Interest rate 6.84% (2015-2016)
- Maximum amount is equal to cost of attendance minus financial aid
- > Repayment can begin 60 days after disbursement
- Can request a deferment until graduation or 6 months after no longer attending at least half-time
- > Unsubsidized only

WHAT IS FINANCIAL NEED?

Cost of Attendance (COA)

- Expected Family Contribution
- = Financial Need (Gapping)





Cost of Attendance

Direct costs-

Tuition and feesRoom and board

Indirect costs-

Books and supplies
 Transportation
 Personal expenses



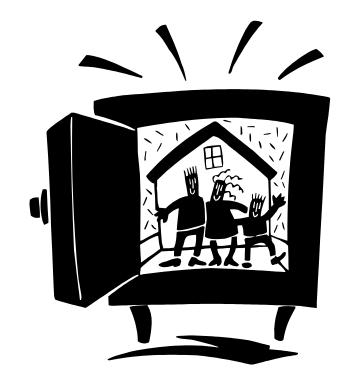
Expected Family Contribution

Parental income

Parental assets

Student income

Student assets



Expected Family Contribution

Student's Contribution

Total Income less taxes paid

- Income protection allowance=\$4,500
- x 50% assessment rate
- = Student's contribution from income
- + 20% of assets
- = Student's contribution

College Board EFC Calculator

FAFSA4Caster



COA- EFC = Financial Need









	On-Campus Private	On-Campus Public	Commuter Public	Community College
Costs	\$40,000	\$18,000	\$8,500	\$5,000
EFC	\$2,000	\$2,000	\$2,000	\$2,000
Need	\$38,000	\$16,000	\$6,5000	\$3,000

Award Letter

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Award Letter

The following assumptions of your current status were used when determining your Cost of Attendance and your financial aid offer: (If any of these are incorrect please contact our office immediately)

Residency Status: Resident

Enrollment: Full Time

Financial Aid Offer

*Expected Family Contribution {EFC} \$2,907 (As determined by the Free Application for Federal Student Aid (FAFSA))

Cost of Attendance (COA) –	Fall and Spring Semester	Total Aid Summary
Tuition and Fees	\$7,858	\$19,964 COA
Loan Fees	\$55	\$2,907 EFC
Room and Board	\$8,000	\$17,057 Financial Need
Books and Supplies	\$1,200	\$o VA Benefits
Transportation	\$664	-\$4,281 Gift Aid
Miscellaneous/Personal	<u>\$2,187</u>	-\$3,000 Self Help Aid - Need based
Total	\$19,964	-\$4,000 Need based loans
		<u>-\$5,500</u> Non need based loans

\$276 Unmet Financial Need

Award Letter

Type of Award	<u>Fall</u>	Spring	<u>Total</u>
Gift Aid			
A D Education Opportunity Grant	\$1,250	\$1,250	\$2,500
A D Federal Pell Grant	\$891	\$890	\$1,781
Self Help Aid - Need Based			
Federal Work Study	\$1,500	\$1,500	\$3,000
Need Based Loan(s) - Repayable			
A D Federal Perkins Loan-Undergrad	\$1,000	\$1,000	\$2,000
A D Subsidized Stafford Loan	\$1,000	\$1,000	\$2,000
Non Need Based Loan(s) - Repayable			
A D Subsidized Stafford Loan	\$1,750	\$1,750	\$3,500
A D Unsubsidized Stafford Loan	\$500	\$500	\$1,000
A D Unsubsidized Stafford Loan	\$500	\$500	\$1,000
	\$8,391	\$8,390	\$16,781

*Stafford loans are subject to up to 3% loan origination and guarantee fees that will be deducted from each loan disbursement.

Date

FINANCIAL AID ELIGIBILITY

- Accepted/enrolled in a eligible program
- Pursuing degree, certificate or other recognized program
- US Citizen or eligible non-citizen with SSN
- > Male- registered with Selective Service











MDCAPS

FSAID

January – February

February – April

≻May 1st

Complete Financial Aid Applications

Receive Award Letters

Finalize decision

APPLYING FOR FINANCIAL AID

Research Federal, Maryland State Financial Aid and college/university aid Programs

> Do you need to complete the <u>CSS Profile</u>?

➢Get a FSA ID for parent and student https://fsaid.ed.gov/npas/index.htm

Complete and submit appropriate application(s)

➢ Provide accurate information

Apply on or before program deadline(s)Keep a copy of submitted materials





What You Will Need to Apply

Parent(s) and student social security number

- The student's alien registration number (if applicable)
- Date of birth for parent(s) and student
- Date of parent marital status
- Parent(s) and student 2014 W-2 form
- Student's driver's license number (if applicable)



What Else You Will Need to Apply

- Record of any untaxed income (child support, unemployment, temporary cash assistance, etc.)
- Record of stocks, bonds and any other investments
- Checking and savings balance (day of completion)
- Business or farm records
- Names of colleges/universities student has or plans to apply to

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



ESSENTIALS

Know what to file

Know when to file (Deadlines)

- Call the college/university's financial aid office with any questions
- Keep a record of everything!!
- Additional information
- □ More information

One more



CONTACT INFORMATION



START HERE GO FURTHER FEDERAL STUDENT AID

US Department of Education Office of Student

- ✓ Telephone number:
- ✓ Web address:
- ✓ Web address FSAID
- Web address Student Aid:

1-800-4-FED-AID <u>www.fafsa.gov</u> <u>https://fsaid.ed.gov/npas/index.htm</u> <u>http://studentaid.ed.gov</u>

Maryland Office of Financial Assistance

- ☑ Telephone number:
- ☑ Toll free number:
- ☑ Web address:

410-260-4565 1-800-974-1024 www.mhec.state.md.us

