HOW TO APPLY FOR FINANCIAL AID (For Families of Seniors - US Version

WHAT IS FINANCIAL AID?

Financial Aid is any type of financial assistance provided to help pay for educational expenses. There are three main types of aid:

Grants & Scholarships
- "Gift" aid that does not need to be repaid, and are often based on a student's financial need or merit (academic or otherwise). They are provided by educational institutions, states, the federal government, and private organizations.
- Some states, including Massachusetts, have special grant programs for state residents regardless of where you attend school

Work Study
- Allows students to work part-time on or near campus while taking classes. Money is earned gradually through the year via paychecks for the hours worked, it is not deducted directly from the college bill.

Federal Student Loans
- Federal student loans are available regardless of income or credit score. They must be repaid gradually after a student stops attending undergrad or graduate school at least part-time. They offer fixed interest rates and various flexible repayment options. Interest rates are determined each summer by the federal government; this year's interest rate is 5.05%. Read more here: https://studentaid.ed.gov/sa/types/loans

Note on Parent Loans
- Your family may have to borrow Parent loans in addition to federal student loans. Details of the Federal Parent Loan program (PLUS) are found here: https://studentaid.ed.gov/sa/types/loans/plus
- Some colleges include Parent PLUS loans in their financial aid offered to students. **This should not be considered financial aid - it is a credit-based loan that must be applied for and is not guaranteed.**

BEFORE YOU APPLY: KNOW WHAT TO EXPECT

Colleges are required to offer an online **Net Price Calculator** (https://collegecost.ed.gov/netpricecenter.aspx) for families to help estimate aid eligibility. They are usually linked from the Admissions and the Financial Aid websites, or you can google "*College Name* Net Price Calculator". **Income is the biggest factor in aid eligibility, not assets (aka YOU SHOULD SAVE FOR COLLEGE IN ADVANCE AS MUCH AS POSSIBLE).** Once you have an estimate, you should ask each college the following questions:

1. Is the total cost of attendance on the Net Price Calculator accurate? Are there any other fees we should be aware of?
2. Does your school offer merit-based scholarships? How do students apply and qualify? Are they renewable each year?
3. Does your school meet 100% need? If not, is there an average "gap" that financial aid usually doesn't cover?
4. What is average debt upon graduation? Does the average include private loans and/or parent loans?

HOW TO APPLY FOR MERIT (ACADEMIC & TALENT-BASED) SCHOLARSHIPS *(Not based on financial need)*

1) **Merit scholarships from colleges/universities** are competitive but may be generous – you **must** be an above-average candidate for that specific college to offer merit aid (google " *College name* accepted student profile", or use Naviance "Compare Me")
   a. Admission offices almost always determine and notify students of merit scholarships upon acceptance - *usually* you do not need to submit a separate application. **You must research each school's individual policies.**
   b. The most selective schools offer only need-based aid, NOT merit aid.
2) **Private, outside scholarships** rely on your self-motivation, organization, & time management to find and apply
   a. **Start local.** You're more likely to be successful with limited competition. Use your local public school's guidance department (and/or public library) to start your research. The vast majority of scholarships are no more than $1,000 or so per year, and many have a need-based component.
   b. **Other websites to check:** Naviance, Common Application, College Board, Bureau of Labor Statistics, Peterson's, Unigo, College Greenlight, JLV College Counseling, There are other websites but they can generate a lot of unwanted emails.

HOW TO APPLY FOR NEED-BASED FINANCIAL AID FROM COLLEGES

1. **Get organized.** Look up each college's website that you intent to apply to, and make a list of the following (Here's a checklist template that may be handy for this: https://docs.google.com/spreadsheets/d/1N-_MMdfuHu972oIn2THSaI0Cv6mtEblVdPuous9wyQo/edit?usp=sharing
   a. Deadlines to apply
   b. Which forms/applications are needed for you to complete (FAFSA? CSS PROFILE? Other Forms?)
   c. What documents you must submit to the college and how (Federal Taxes? W-2s? 1099s)?
   d. Complete the Net Price Calculator if you haven't already
2. **Student & Parent EACH register for a Federal Student Aid ID (FSA ID):** https://fsaid.ed.gov**.** This is both of your username and password to electronically sign the Free Application for Federal Student Aid (FAFSA). Use personal, not school emails.
   a. You'll need yours and one parent's social security numbers, date of birth, full legal name, and some knowledge to select and answer personal security questions. **KEEP TRACK of this information** - it is very tedious to recover.
3. **Complete the Free Application for Federal Student Aid (FAFSA):** http://www.fafsa.ed.gov, or "MyStudentAid" app. available starting October 1, 2018, to be completed for the 2019-2020 academic year. See comprehensive directions for FAFSA.

a. **Why?** Every U.S. college requires the FAFSA application to receive federal and some institutional aid (institutional means directly from the college or university)

b. **What do I need?** You'll need yours and your parent/s social security numbers, date of birth, full legal name, and federal tax and income documents (including W-2 earnings statements and/or 1099s) for the calendar year 2017. You should also know the amount of money you and your parent have in cash/savings, investments (not including retirement), value of property (not including your primary home), and what type of untaxed income (if any) your family receives. You also need to choose which colleges you are applying to, and whether you'll live on or off campus.

4. **If required of any of your schools, complete the CSS PROFILE application**: http://profileonline.collegeboard.org, available starting October 1, 2018, to be completed for the 2019-2020 academic year. Here is an online tutorial for the application and a list of schools that require it. There is a **$25 fee** for the first CSS PROFILE submission, and $16 for each college after.

   a. **Why?** Some colleges want more financial information to determine eligibility for need-based financial aid, especially those with more institutional funding to give. They use the CSS PROFILE in combination with the FAFSA to calculate aid.

   b. **What do I need?** You need all the FAFSA information, PLUS: your family's total assets in retirement accounts, the value of their primary home, and any business value. (some colleges might ask for even more, such as information about cars owned, parent educational debt, or eldercare costs).

5. **Families with Divorced/Separated Parents** should carefully read instructions that the FAFSA, CSS PROFILE, and their college's financial aid office provide. Read more:

   a. **FAFSA Rules:** https://studentaid.ed.gov/sa/resources/fafsa-parent-text

   b. **CSS PROFILE Rules:** https://learn.collegeboard.org/css-profile-overview/16/

   c. Informative article for divorced/separated families: https://www.mefa.org/applying-financial-aid-parents-divorced/

AFTER YOU APPLY

6. **Read all communications from each financial aid office and respond promptly!** Sometimes the offices need more information before they can determine financial aid. Be patient - it can take more than a few weeks to review financial aid applications.

7. **Each college will determine need-based financial aid** based on the FAFSA's EFC (Expected Family Contribution) and/or the institution's own method of determining ability to pay (sometimes referred to as a Family Contribution, Student Contribution, or Parent Contribution).

   a. **What is the Expected Family Contribution (EFC)?**
      i. The EFC is calculated and shown to you immediately after you submit your FAFSA. It is used by the schools you apply to for determining which types of need-based financial aid your family is eligible to receive. **It is rarely exactly what you're going to pay the college you eventually attend.**
      ii. The CSS PROFILE will not provide an EFC - that is up to the individual colleges to determine

8. **If you need to make a correction on an application:** The FAFSA allows you to log back in to make changes yourself. The CSS PROFILE does not, so you'll have to contact each financial aid office to update it.

REVIEW, UNDERSTAND, AND FOLLOW THROUGH WITH FINANCIAL AID OFFERED

9. **After colleges review your completed applications, they will send what is referred to as a "Financial Aid Award Letter" or "Financial Aid Package"**. ("Award" and "Package" both refer to the combination of grants, scholarships, loans, and work-study that the student is eligible to receive to help pay for their education for one academic year).

   a. **Understand your financial aid offer thoroughly.** Ask any clarifying questions directly to the college.
      i. What is a loan, vs. grant, vs. scholarship, vs. work study? What is renewable vs. not renewable?
      ii. Does the financial aid offer include merit-based scholarships awarded by Admissions?
      iii. Use the College Board's Aid Comparison Tool to compre financial aid offers side-by-side: https://bigfuture.collegeboard.org/pay-for-college/financial-aid-awards/compare-aid-calculator

   b. **You have the right to "appeal" for more aid with specific, legitimate reasons.** Financial aid offices will consider appeals as long as you follow their instructions for appealing, and as long as you provide at least one or two strong reasons (besides just wanting/needing more money).

d. **Plan to make your college decision by May 1st.** Follow instructions to "accept" or confirm your offered financial aid.

KEEEP IN MIND:

- Every school is different in how they process, provide, and fund financial aid - expect different amounts from each school
- The majority of these financial aid offers will include federal student loans (which is considered an "award")
- Individual college financial aid offices (websites, phone, & email) are the best resource for accurately answering questions

Read more:

How Much College Can You Really Afford?: https://www.fidelity.com/viewpoints/how-much-college-can-you-afford

What Your Family Can Afford For College : https://www.mykidscollegechoice.com/2017/05/09/what-can-your-family-afford-for-college/

What To Know About Financial Aid: https://www.nytimes.com/2014/04/13/education/edlife/what-you-dont-know-about-financial-aid-but-should.html

College Board Financial Aid Information: https://bigfuture.collegeboard.org/pay-for-college

Federal Student Aid Website: https://studentaid.ed.gov/sa/types

Will My Admission Chances Increase If I Do Not Apply for Aid? http://time.com/money/4435764/boost-financial-aid-college-admission/

11 Misconceptions About Paying for College: https://tinyurl.com/y76ppvfu