



WSHS Financial Aid Night

Thursday, October 7

Agenda

- General Overview and Philosophy of Financial Aid
- Family Contribution
- Financial Need
- Types of Financial Aid
- Financial Aid Applications
- Financial Aid Award Notifications
- Questions



What is Financial Aid?

- Financial aid is money (i.e., grants, scholarships, work, loans) provided to students and their families to help supplement their ability to pay for postsecondary educational expenses.



Philosophy of Financial Aid

- Primary responsibility for college expenses rests with the student and his/her family
- Families with like circumstances will be treated in a similar manner
- Family contribution assumes a contribution from savings, current income, future income



How is Aid Eligibility Determined?

The Free Application for Federal Student Aid (FAFSA)

- **Required** for federal, state and institutional aid programs

The CSS/Financial Aid PROFILE

- **May be required** by higher-cost, private colleges to determine eligibility for institutional aid programs

College Supplemental application

- **May be required**
- **Always check with individual colleges to find out required applications and deadlines!**



How is the Family Contribution Calculated?

- Data from application is used to determine eligibility for federal, state and institutional aid
- “EFC” or “Expected Family Contribution” is calculated



What is the Cost of Attendance?

Direct Costs

- Tuition and Fees
- Room and Board (if on campus)

Indirect Costs

- Books and Supplies
- Transportation
- Personal Expenses



What is “Financial Need”?



*Family Share:

Note: *This is not the same as the student's bill or the amount a family will actually pay for the student to attend college*



Financial Need at Three Schools

	School A	School B	School C
Cost of Attendance	\$50,000	\$20,000	\$12,000
(-) EFC	\$2,000	\$2,000	\$2,000
Financial Need	\$48,000	\$18,000	\$10,000



Types of Financial Aid

- Grants
 - Based on Financial Need
- Scholarships
 - Typically based on merit, academic achievement, talent, etc.
- Employment (Work Study)
 - Work on Campus
- Loans
 - Student loans
 - Parent Loans



Sources of Assistance



Federal Government

- Pell Grant
- SEOG Grant
- Work-study
- Direct Loan
- Submit the FAFSA



State Government

- Submit the FAFSA
- Each state has a different FAFSA submission deadline
- Eligibility criteria is different from state to state



Colleges & Universities

- Scholarships & grants
- Loan programs
- Applications FAFSA
- Possibly additional aid application



Private Organizations

- Community Foundations
- Non-Profit Agencies
- Application requirements vary



Institutional Aid

- Many schools have their own funds to award students, including:
 - Need-based grants
 - Merit-based (non need-based) scholarships (i.e., academic, leadership, athletics, etc.)
 - Student loans
 - Employment
- Spectrum – some institutions (very selective) offer no merit and & lots of need-based aid, others (less selective) offer lots of merit aid but very little need-based aid
- Institutions vary in ability to meet demonstrated need



Federal Grants

- Federal Pell Grant
 - Up to \$6,495 for 2021-22
 - Need-based, based on EFC and enrollment
- Federal SEOG
 - Up to \$4,000
 - Exceptional financial need
 - Based on school's funding level



State Grant Programs

- The Free Application for Federal Student Aid (FAFSA) is used to apply for most state loan, grant, and scholarship programs, in addition to the federal loans and grants.
- MN HS graduates attending a MN college may be eligible for MN State Grant.



Student Employment/Work-Study

- Federal Work-Study
- Institutional campus employment
- Some states have work-study
- Typically students work up to 20 hours per week while enrolled
- Paid hourly, at variable wage rate, work around class schedule



Loans

- Student or parent debt
- Must be repaid
- Payments can be deferred while enrolled
- Repayment typically 10 years
- Students don't need to borrow every dollar in their financial aid package
- Repayment calculator available at www.finaid.org



Federal Direct Subsidized Loans

- Interest subsidized while student is enrolled
- Need Based Program
- 6 month grace period
 - \$3,500 1st year max
 - \$4,500 2nd year max
 - \$5,500 3rd and 4th year max
- Current Interest Rates: 3.73%
- Origination fee: 1.057%



Federal Direct Unsubsidized Loans

- Not need-based
- Interest NOT subsidized at any time
- 6-month grace period
- Between Subsidized and Unsubsidized Federal Direct Loans students can receive:
 - \$5,500 1st year max
 - \$6,500 2nd year max
 - \$7,500 3rd and 4th year max
- Interest Rate: 3.73%
- Origination Fee: 1.057%



Federal Direct PLUS Loans

- Parent loan for a dependent undergraduate
- Interest NOT subsidized at any time
- 6.284% fixed interest rate
- 4.228% origination fee
- No grace period
- Not need-based
- Must file FAFSA
- Credit worthiness (credit check)



Private/Alternative Loans

- NOT federal loans
- Direct from banks, lenders
- Based on student's credit, plus often co-signer
- Higher interest, possible fees
- Fewer repayment options
- To be used only as last resort



How Much Is Too Much?

- For the Class of 2019, nationally, 62% borrowed. Of those who borrowed, average indebtedness was \$28,950. *Source: The Project on Student Debt* projectstudentdebt.org/
- Translates into a monthly payment of approximately \$305/month for 10 years. *Source: Finaid.org*
- One rule of thumb: Student's total borrowing shouldn't exceed what he/she expects to make the first year out of school.
- This is a family discussion and decision – how much should/can the student borrow, and how much should/can parents borrow?



Private Scholarships

- Scholarships the student receives from private organizations (high school, church, service organizations, companies, foundations, etc.)
- Outside scholarships must be considered as a financial resource in the aid package
- Each school determines their policy



Financial Aid Application:

Used to Determine Your EFC (Expected Family Contribution)



FAFSA- Free Application for Federal Student Aid

- www.fafsa.ed.gov
- Never pay a fee to file a FAFSA
- 2022-2023 FAFSA is available October 1
Use 2020 tax information
 - Also Available in Spanish



www.fafsa.gov

Complete the FAFSA® Form

Use the *Free Application for Federal Student Aid* (FAFSA®) form to apply for financial aid for college or graduate school.

New to the FAFSA® Process?

Completing the FAFSA form is free. Fill it out now.

[Start Here](#)

Returning User?

[Correct info](#) | [Add a school](#)

[View your Student Aid Report \(SAR\)](#)

[Log In](#)



www.fafsa.gov

Tell us about yourself.

[? Help](#)

[Exit FAFSA Form](#)

☐ I am a student and want to access the FAFSA form.



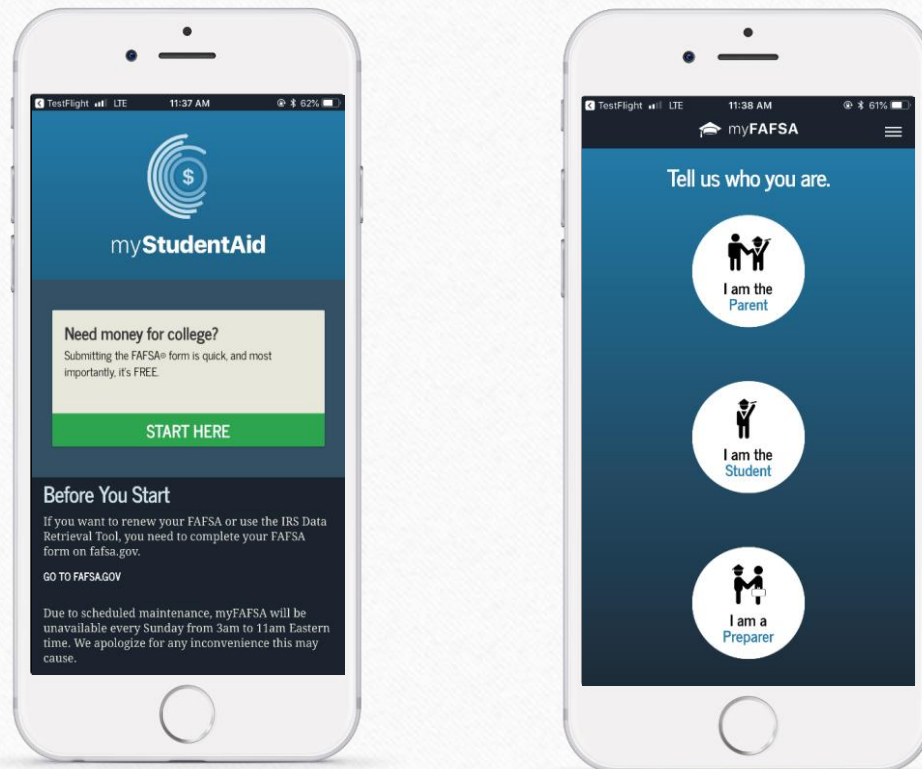
☐ I am a parent filling out a FAFSA form for a student.



☐ I am a preparer helping a student fill out his or her FAFSA form.



myStudentAid Mobile App



- Mobile ability to begin, complete, save, and submit the FAFSA



Information Needed for FAFSA

Student and Parent(s)

- 2020 federal tax returns, including W-2 form(s)
- Driver's license and Social Security Numbers
- Checking, savings, other investment account values
- FSA ID – Access FAFSA and electronically sign - <https://fsaid.ed.gov>

Separated/Divorced Parents

- Determine which parent to report



IRS Data Retrieval Tool

- Allows for certain tax return information to be transferred from the IRS database
- Participation is voluntary and student chooses whether or not to transfer data to FOTW (FAFSA on the web)
- IRS will authenticate taxpayer's identity
- If tax record is found, IRS transfers information to populate the FAFSA
- Reduces documents requested by financial aid office



Who is considered a Parent on FAFSA?

- If your legal parents (biological/adoptive) are married to each other, report information about both of them regardless of whether they are same or opposite sex.
- If your legal parents are not married to each other and live together, report information about both of them regardless of whether they are same or opposite sex.



Who is Considered a Parent on FAFSA?

(Continued)

- If your parents are divorced or separated and don't live together, answer the questions about the parent with whom you lived more during the past 12 months.
 - If that parent has remarried, report information for the stepparent too.
- If you lived the same amount of time with each divorced or separated parent, report information about the parent who provided more financial support during the past 12 months.
- If your divorced/separated parents live together, report information about both of them.
- Grandparents, foster parents, legal guardians, aunts and uncles, and other family members **ARE NOT** considered parents unless they have legally adopted the student.



FSA ID

- Used for FAFSA completion and allows access to certain U.S. Department of Education websites
- May be used by students and parents throughout financial aid process, including subsequent school years
- Only the owner should create a FSA ID
- Apply at <https://fsaid.ed.gov>

Create an Account (FSA ID)



Parents



Students



Borrowers

Whether you're a student, parent, or borrower, you'll need to create your own account to complete federal student aid tasks.

What You Can Use Your Account For

- Filling out the *Free Application for Federal Student Aid (FAFSA®)* form
- Signing your *Master Promissory Note (MPN)*
- Applying for repayment plans
- Completing loan counseling
- Using the *Public Service Loan Forgiveness Help Tool*

Items Needed to Create an Account

- Social Security number
- Your own mobile phone number and/or email address

Get Started



CSS/Financial Aid PROFILE

- May be required by private, high-cost, selective colleges to award their institutional need-based grant dollars
- Asks for more detailed information than the FAFSA
- May require application information from non-custodial parent too
- Fee is charged (\$25 for application and 1 school report; \$16 for each additional school). Fee waivers are granted for low-income filers



Special Circumstances

Adjustments may be made on a case-by-case basis for:

- Change in employment status
- One-time income
- Medical expenses not covered by insurance
- Change in parents' marital status
- Unusual dependent or elder care expenses



Net Price Calculator

- Net price = cost of attendance less scholarship/grant aid
- Net Price Calculator = ESTIMATE of a family's net price based on data students can input into calculator
- Net Price Calculator can be found on all College websites



Financial Aid Award Notification

- Notifications are sent at different times based upon each school's admissions cycle
- No set standard
- Financial Aid Notification comparison tools are available

<https://bigfuture.collegeboard.org/pay-for-college/financial-aid-awards/compare-aid-calculator>

State You Live In No selection	School 1	School 2	School 3	School 4
College or University Name				
Cost of Attendance				
	School 1	School 2	School 3	School 4
Tuition and Fees	\$ 0	\$ 0	\$ 0	\$ 0
Room and Board	\$ 0	\$ 0	\$ 0	\$ 0
Books and Supplies	\$ 0	\$ 0	\$ 0	\$ 0
Travel	\$ 0	\$ 0	\$ 0	\$ 0
Personal Expenses	\$ 0	\$ 0	\$ 0	\$ 0
Financial Aid				
	School 1	School 2	School 3	School 4
Gift Aid				
• Grants and Scholarships	\$ 0	\$ 0	\$ 0	\$ 0
• Other Gift Aid	\$ 0	\$ 0	\$ 0	\$ 0
Self-Help Aid Student Loans				



Review Aid Awards Carefully

Compare:

- ✓ Costs of Attendance (COA)
- ✓ Total amount of aid
- ✓ Types of aid offered
- ✓ Amount of gift aid (grant/scholarship)
- ✓ Amount of loan (interest rate, repayment terms, etc.)

Ask Questions:

- ✓ Is the grant and/or scholarship renewable?
- ✓ What are the terms for renewing? (GPA, number of credits, course of study, etc.)
- ✓ Is the amount of work-study realistic?
- ✓ Will aid change from year to year?
- ✓ Will aid increase if costs increases?



Final Tips

- Don't rule out a college because of its published price
- Paying for college is a team effort
- Meet deadlines
- Understand the types of aid offered
- Determine the “bottom line”
- Borrow wisely
- Inform the financial aid office if your situation changes



Questions?

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