

FINANCING YOUR STUDENTS EDUCATION

How to pay for college

Presented by Hood College Financial Aid Office

TOPICS WE WILL DISCUSS TONIGHT

- What is financial aid?
- Free Application for Federal Student Aid (FAFSA®)
- Cost of attendance (COA)
- Expected family contribution (EFC)
- Financial need
- Categories, types, and sources of financial aid
- Financial aid terms to know

WHAT IS FINANCIAL AID?

- Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses



IT'S ALL ABOUT THE **FAFSA**

- Free Application for Federal Student Aid
- A standard form that collects demographic and financial information about the student and family
- May be filed electronically or using paper form
- Required for all Federal Aid


COMPLETING THE FAFSA

- FAFSA on the Web – <https://studentaid.gov>
- Obtain FSAID (federal student aid password) at <https://studentaid.gov>
 - Each student will need their own FSAID and at least one Parent
- Fill out all parts of the FAFSA (make sure to answer all questions and when asked, put a zero (0) in for dollar amounts)
- **October 1, 2022** for 2023-2024 use 2021 taxes
- Send all requested documents to the College/University your student has chosen
- An award package will now be created for your student by the Financial Aid offices
- Most colleges set FAFSA filing deadlines
- DRT-Data Retrieval Tool, connects with the IRS, Data is masked

StudentAid.gov Home

An official website of the United States government. Help Center English | Español

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

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You Are America's Smartest Investment

The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year.

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Considering School
I'm thinking about going to college or a career school.

In School
I'm in the process of earning a degree or certificate.

Parent
I want to help my child pay for college.

In Repayment
I have loans I need to repay.

Apply for Aid

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UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾ Log In | Create Account 🔍

- Complete the FAFSA® Form
 - FAFSA Deadlines
 - Filling Out the FAFSA Form
 - Reviewing and Correcting Your FAFSA Form
 - Renewing Your FAFSA Form
- Apply for a PLUS Loan
 - Apply for a Grad PLUS Loan
 - Apply for a Parent PLUS Loan
 - Endorse a PLUS Loan
 - Appeal a Credit Decision
 - Complete PLUS Credit Counseling

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FAFSA® Form Welcome Page

An official website of the United States government. Help Center English | Español

Federal Student Aid AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION UNDERSTAND AID APPLY FOR AID COMPLETE AID PROCESS MANAGE LOANS 

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](#)

FAFSA® Announcements

Planned Outage of FAFSA.gov and the FAFSA Feature Within the MyStudentAid Mobile App From April 10 to 11

The fafsa.gov website will be unavailable from 8 a.m. Eastern time (ET) on Saturday, April 10, 2021, through 1 p.m. ET on Sunday, April 11, 2021, for important system upgrades. During the outage period, users may access the myStudentAid mobile app, but the FAFSA feature within the myStudentAid mobile app will not be available. We appreciate your patience as we

Role Selection

Welcome to the FAFSA® Form

Tell us about yourself.

[? Help](#) [C-> 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.



WHO CAN GET FEDERAL STUDENT AID?

- U.S. citizen or permanent resident
- High school graduate/GED holder
- Eligible degree/certificate program
- Valid Social Security number
- Satisfactory academic progress in college/career school

DEPENDENT/INDEPENDENT STUDENTS

- Independent Students are students who **can** answer yes to one of the following:
 - Student is at least 24 years old
 - Student is a graduate or professional student
 - Student is married
 - Student is supporting children
 - Student is an orphan or ward of court
 - Student is a veteran of the U.S. Armed Forces

WHO IS NOT THE PARENT?

FAFSA application must be completed by student and the student's biological or adoptive parents

- If the student's biological parents are separated/divorced the parent with whom the student lives with is reported on the FAFSA. If the parent is remarried, the step-parent's information must be included on the FAFSA

Parents do not include:

- Grandparents (or others) who are supporting the student
- Foster parent
- Legal Guardians

SPECIAL CIRCUMSTANCES

The FAFSA is based on your 2021 federal tax information. There are various circumstances that may affect your financial situation such as:

- Change in employment
- Medical expenses not covered by insurance
- Student cannot obtain parent information
- One-time taxable distribution

Please contact the Financial Aid Office of the school you are considering to attend to discuss your situation. Financial Aid Offices have the option to complete a Professional Judgment to assist you with additional financial aid

*** A term to know

VERIFICATION

- Approximately 1/3 of all students are selected
- Some schools do 100% verification
- You may link your taxes to your FAFSA
- Documents will be requested to verify information on the FAFSA
 - Tax transcripts for parents and students
 - Verification worksheet
 - Sometimes W-2 Parents and Students

FREQUENT FAFSA ERRORS

- Social Security Numbers
- Divorced/widowed/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

TYPES OF FEDERAL AND STATE AID

“Free Money”

Loans-Student

Loans-Parent

Work Study

FEDERAL AID BREAK DOWN

- **Pell Grant** - maximum is \$ 6,895 [2022-2023]
- **FSEOG (Federal Supplemental Educational Opportunity Grant)** - neediest students
- **Direct Student Loans** - all students, repayment 6 months after student leaves school
 - **Subsidized** - Government subsidizes the interest
 - **Unsubsidized** - family subsidizes the interest
- **Parent Plus Loan** - repayment after second disbursement, credit check is done by federal Government.
- **Federal Work-Study** - depends on funds available at school

INSTITUTIONAL AID

- **Merit aid** - grades, extra-curricular activities, and information found on the college application. These amounts are awarded through the admission office.
- **Need-based aid** - Funds are awarded by the Financial Aid Office
 - Federal and state aid is based primarily on the FAFSA information
 - Institutional aid may be based on the FAFSA information as well as other institutional criteria.

STATE AID (MARYLAND PROGRAMS)

- **Senator**
 - **Delegate**
 - **Guaranteed Access Grant**
 - **Educational Assistance Grant**
- Contact Senator / Delegate
 - Determined by FAFSA

Deadline is **March 1**, FAFSA needed and list at least one MD School

www.MHEC.state.md.us

Student must go back in and accept award

APPLYING FOR STATE FINANCIAL AID

Maryland College Processing System (MD CAPS)

- MDCAPS is the State of Maryland's financial aid system
- You must create a Student Login Profile and then click on the activation link in the message sent to your email account, which was provided when you created your account in MD CAPS
- To create a profile, log onto <https://mdcaps.mhec.state.md.us>
- The MDCAPS account can be created at any time
- Through your MD CAPS account you can monitor the status of your application and accept the awards offered by the State

OTHER FUNDING OPTIONS

- Alternative Loans
- Private lenders
 - Varying interest rates/terms/lenders/types
- Home Equity Loans

OUTSIDE SCHOLARSHIPS AND GRANTS

- Civic Organizations
- Check with your high school Guidance Counselors
- Varying amounts, due dates, criteria
 - www.fastweb.com
 - www.myscholly.com
 - www.scholarship.com
 - www.central-scholarship.org
 - www.gocollege.com
 - www.cffredco.org
 - www.mdcommunityfoundations.org

COLLEGE BY COLLEGE

COST OF ATTENDANCE (BUDGET)

- There are 5 categories

- **Tuition and Fees**

- **Room and meal plan**

- Books and Supplies

- Transportation

- personal expenses.



• Direct costs

The diagram shows two yellow brackets on the left side of the slide. The top bracket groups 'Tuition and Fees' and 'Room and meal plan'. The bottom bracket groups 'Books and Supplies', 'Transportation', and 'personal expenses'. A line from the top bracket points to the text 'Direct costs', and a line from the bottom bracket points to the text 'Indirect costs'.

• Indirect costs

This total is what the Financial Aid Office
can award aid up to.

WHAT IS COST OF ATTENDANCE (COA)?

- Direct costs
 - (Tuition and fees, Room and Meal plans)
- Indirect costs
 - (Books & Supplies, Transportation, Personal Expenses)
- Cost of Attendance
 - Combination of direct and indirect cost
- Varies widely from college to college

FINANCIAL NEED

Cost of Attendance

– Expected Family Contribution

= Financial Need

*** A term to know

WHAT IS 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

*** A term to know

AWARD PACKAGE

All awarded funds from a college which include:

- Merit
- Federal
- State
- other Institution aid
- outside scholarships

*** A term to know

SATISFACTORY ACADEMIC PROGRESS

- Satisfactory Academic Progress (SAP) is required by all institutions. Students must maintain a certain GPA in order to keep their financial aid in subsequent semesters/years. Students must have a cumulative 67% passing rate.
- The GPA for institutional aid (merit awards) may be different from the federal requirements. Please check with the school you will be attending.

HELPFUL WEB SITES:

www.FAFSA.gov

www.FSAID.ed.gov

www.Studentaid.gov

www.mhec.state.md.us

www.mdcaps.mhec.state.md.us

www.studentloans.gov

THINGS TO REMEMBER

- Deadlines – Institutional and Scholarship deadlines may vary
- October 1st – FAFSA available for 2022-2023 academic year
- March 1st – State of Maryland FAFSA deadline
- Keep a copy of your Student Aid Report (processed FAFSA results)
- Notify the Financial Aid Office of special circumstances
- Apply for scholarships

QUESTIONS?

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