

# Financial Aid Awareness Program

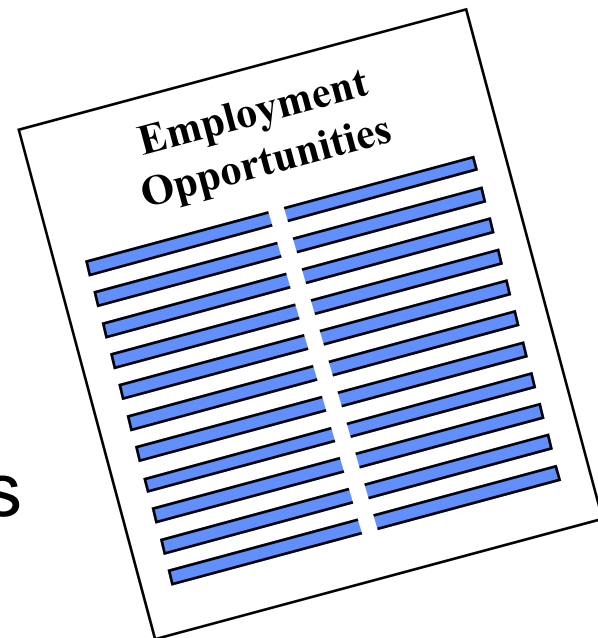
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- Part I — Background
- Part II — FAFSA and “packaging” aid awards
- Part III — Video: “School Shopping Tips”



# Types of Student Aid

- ➔ Grants and scholarships (gift aid)
- ➔ Loans (self-help aid)
- ➔ Employment opportunities (self-help aid)



# Who Pays for Postsecondary Education?

- Student's parents
- Student
- Student's spouse, if applicable



# Financial Need Equation

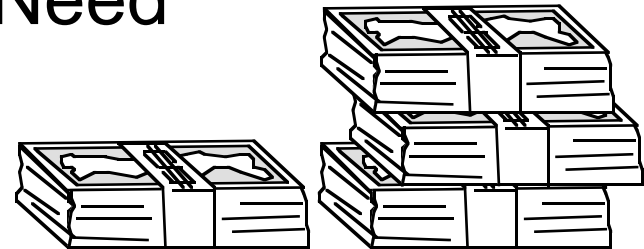
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Cost of Attendance (COA)

***minus*** Expected Family Contribution (EFC)

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***equals*** Student's Financial Need



# Federal Need-Based Aid Programs

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- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Federal Work-Study (FWS)
- Federal Perkins Loans
- Federal Direct Subsidized Loans
- Federal Subsidized Stafford Loans
- State Student Incentive Grants (SSIG)



# Federal Non-Need-Based Aid Programs

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- Federal Direct PLUS Loans
- Federal PLUS Loans
- Federal Direct Unsubsidized Loans
- Federal Unsubsidized Stafford Loans



# General Eligibility Requirements for Federal Aid

- High school completion or equivalent
- Student enrollment
- Citizenship status
- Social Security number
- Selective Service
- Signed certification statements

*Transcript*

<u>Subject</u>	<u>Grade</u>	<u>Hours</u>	<u>Credit</u>
Math	B	3	9.0
History	C	3	6.0
English	B	3	9.0
Science	B	3	9.0
		12	33.0
			GPA = 2.75



# Cost of Attendance (COA)

- Tuition and fees
- Books, supplies, and equipment
- Room and board
- Transportation
- Necessary personal expenses





# Expected Family Contribution (EFC) Factors

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- Student's income
- Student's parents' (and spouse's) income
- Family size
- Number of family members enrolled in postsecondary education
- Asset information, under certain circumstances



# Federal Pell Grant Program

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- ✓ Awarded to the neediest undergraduates
- ✓ Does not have to be repaid
- ✓ The “foundation” of a student’s federal financial aid package



# Campus-Based Programs

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- FSEOG (grant)
- Federal Perkins Loans (loan)
- FWS (employment)



# Campus-Based Awards

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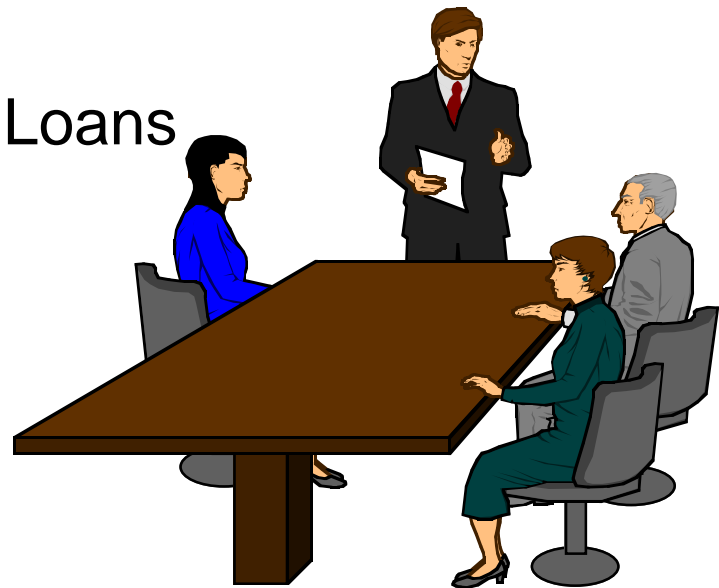
Awarded on the basis of:

- Student's financial need
- Funds available at the school
- Annual award limit
- School's policies for awarding student aid



# Federal Direct Loan Program

- Federal Direct Subsidized Loans
- Federal Direct Unsubsidized Loans
- Federal Direct PLUS Loans  
(for parents, unsubsidized)



# Federal Family Education Loan (FFEL) Program

- Federal Stafford Loans (subsidized)
- Federal Unsubsidized Stafford Loans
- Federal PLUS Loans  
(for parents, unsubsidized)



# Other Sources of Financial Aid

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These places usually have information on—or provide—financial aid:

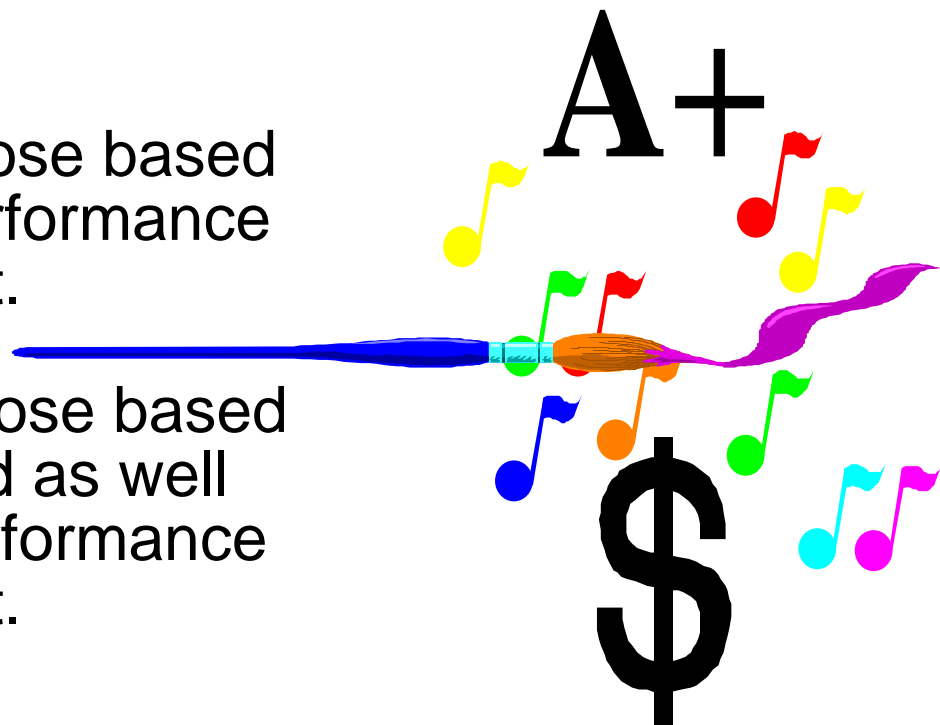
- high schools
- places of employment
- civic, trade, and social organizations
- private foundations
- religious organizations



# Academic Scholarships

Two types of scholarships are generally available:

- Merit based—those based on academic performance or creative talent.
- Need based—those based on financial need as well as academic performance or creative talent.





# Methods for Completing the FAFSA

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- Paper FAFSA
- Electronically through a postsecondary school
- Electronically using FAFSA Express



# Section A: You (the student)

Questions 1 through 19 collect personal identifying information on a student, such as:

- Name
- Address
- Social Security number
- Driver's license number and issuing state
- Citizenship status
- State of legal residence
- Marital status
- Bachelor's degree held

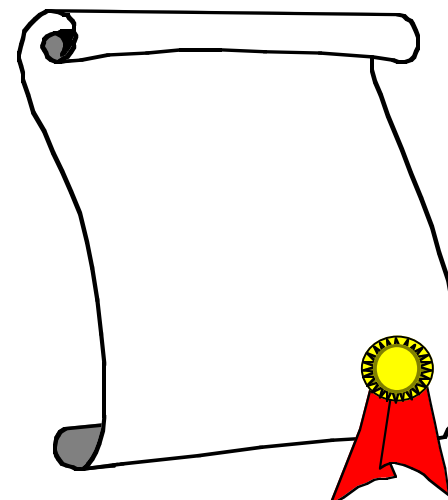


# Section B: Education Background

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Questions 20 through 23 ask for:

- the date the student received—or will receive—a high school diploma (or GED)
- the highest educational level attained by the student's parents (optional)



# Section C: Your Plans

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Questions 24 through 39 collect information used by schools to award aid.

- Completing this section helps financial aid administrators make better award packaging decisions, because the award package is based on the student's (and parents') personal information.



## Section D: Student Status

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Questions 40 through 45 determine who should be classified as a dependent student and who should be classified as an independent student.

- The classification determines whether the financial data of the parents will be included in calculating the Expected Family Contribution (EFC).
- The student's resources are always included in calculating the EFC.



# Section E: Household Information

Questions 46 through 47 collect household information about an **independent** student and, if applicable, his or her spouse.

Questions 48 through 52 collect household information about a **dependent** student's family.



# Section F:

## Income, Earnings, and Benefits

Questions 53 through 64 collect financial information for all students (and spouses, if applicable).

Questions 65 through 76 collect financial information for parents of dependent students.

<b>XYZ, Corporation</b> Rockville, MD 20852	<b>2048</b>
DATE <u>March 15, 1995</u>	
PAY TO THE ORDER OF <u>A. B. Jackson</u>	\$ <u>569.74</u>
<u>Five hundred sixty nine and 74/100</u>	<b>DOLLARS</b>
<b>FIRST NATIONAL BANK</b>	
<u>G. Howard Gordon</u> President, XYZ, Corporation	
⑆00 2100 661: 770 ⑆ 964076 ⑆ 2121	

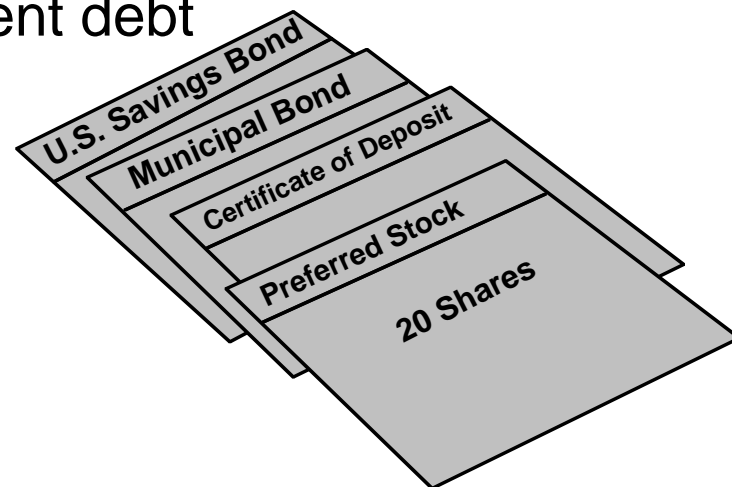


# Section G:

## Asset Information





Questions 77 through 91 collect asset information, such as:

- cash, savings, and checking accounts
- real estate and investment value
- real estate and investment debt
- business value
- business debt
- investment farm value
- investment farm debt





# Section H: Releases, Certifications, and Signatures

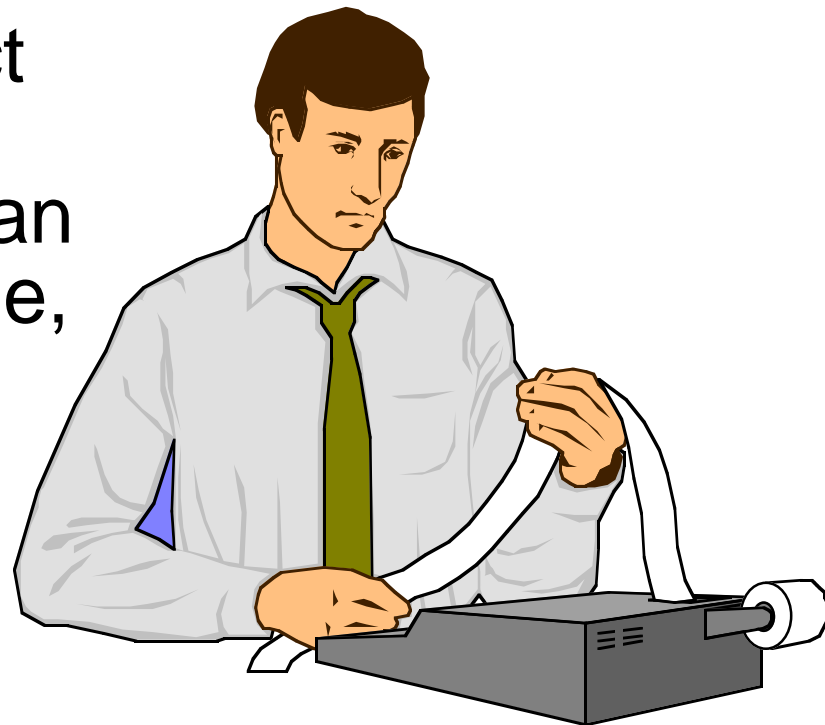
-  Questions 92 through 103 collect information on up to six colleges the student might attend in 1997-98.
-  Question 104 asks for a student's permission to send the FAFSA data to the student's state of legal residence for consideration for state aid.
-  Question 105 asks for male students' permission to register them for the Selective Service.
-  Questions 106 and 107 asks for signatures of a student (and spouse) and at least one parent, if parental information is given. In addition to the signatures, the FAFSA must be dated.



# Section I: Preparer's Use Only

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Questions 108 through 110 collect information on preparers other than the student, spouse, and parent(s).



# SAR Comment

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“You do not need to submit this SAR to the schools you listed. All of your schools will receive the information electronically.”



# SAR Comment

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“You should submit a photocopy of this SAR to all the schools that you may be interested in attending. Submit the original SAR to the school where you actually enroll.”



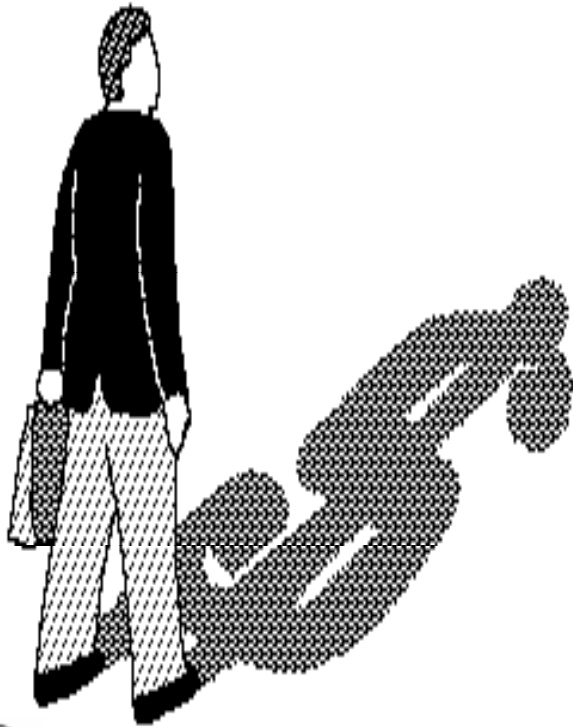
# SAR Comment

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“Some of the schools that you listed do not receive information electronically. Review any financial aid materials you received from schools that you are interested in attending to see which ones require a photocopy of your SAR. Submit the original SAR to the school where you actually enroll.”



# Factors That Influence Packaging Policy



- ➔ Available resources
- ➔ Overall financial need of all students enrolled in school



# Susan's Aid Package

Cost of Attendance	\$6,000
Expected Family Contribution	- 550

<i>Financial Need</i>	<b>\$5,450</b>
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Federal Pell Grant	\$1,920
Federal Stafford Loan (subsidized)	2,625
College scholarship	655
Church grant	250

<i>Total Aid Package</i>	<b>\$5,450</b>
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Remaining Need	\$ 0
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# Comparing Schools' Financial Aid Award Letters

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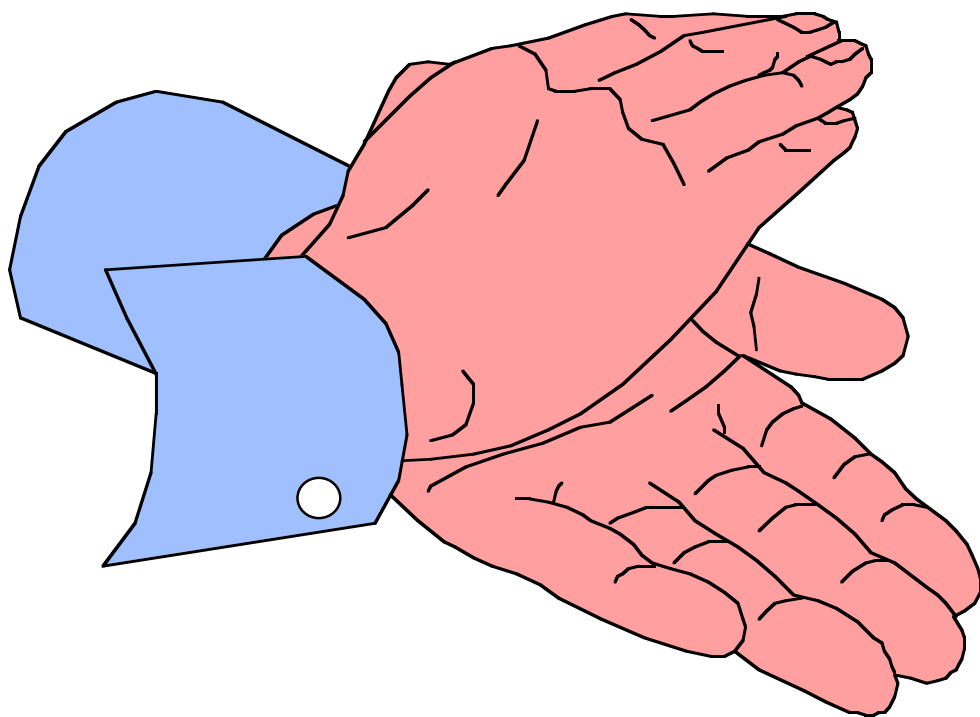
- ✉ What percentage of the student's financial need is being met?
- ✉ What portion of the student's **direct costs** will be covered by the package?
- ✉ What types and sources of aid have been awarded?





# Thank you

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...for attending this  
financial aid  
awareness  
program

and

good luck and  
success in your  
postsecondary  
plans.



# 1997-98

## **Financial Aid Awareness Program**

