

# Financial Aid Night 2021

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How to pay for college!

# Agenda

**Types of Aid**

**The FAFSA**

**EFC**

**Tips to Reduce College Costs**



Need money for college?

# THE 4 BASIC TYPES OF FINANCIAL AID

## 1 Grants

Grant money is typically based on you and your family's financial situation. They **DON'T** have to be repaid, as long as you meet the requirements.

## 2 Scholarships

Scholarship money is typically awarded based on your accomplishments. It **DOESN'T** have to be repaid, as long as you meet the requirements.

## 3 Work-study

Work-study programs offer career-related work experience, allowing you to earn money while working throughout the school year.

## 4 Student Loans

Student loans **MUST** be repaid. There are various types of student loans, and some have better terms than others. It is important to research and fully understand what you are agreeing to before taking out a loan. Consider the future.

# How Do I Qualify?

Need to File Free Application for Federal Student Aid (FAFSA) to qualify for:  
Federal/State Aid, Work Study, Loans

Who should fill out the FAFSA? Almost anyone **THINKING** about school next year!

*“Aid is available for anyone with a household income below \$250,000 a year,” -Charlie Javice, founder & CEO of Frank, an online FAFSA platform*

Don't exclude yourself from qualifying for scholarships!

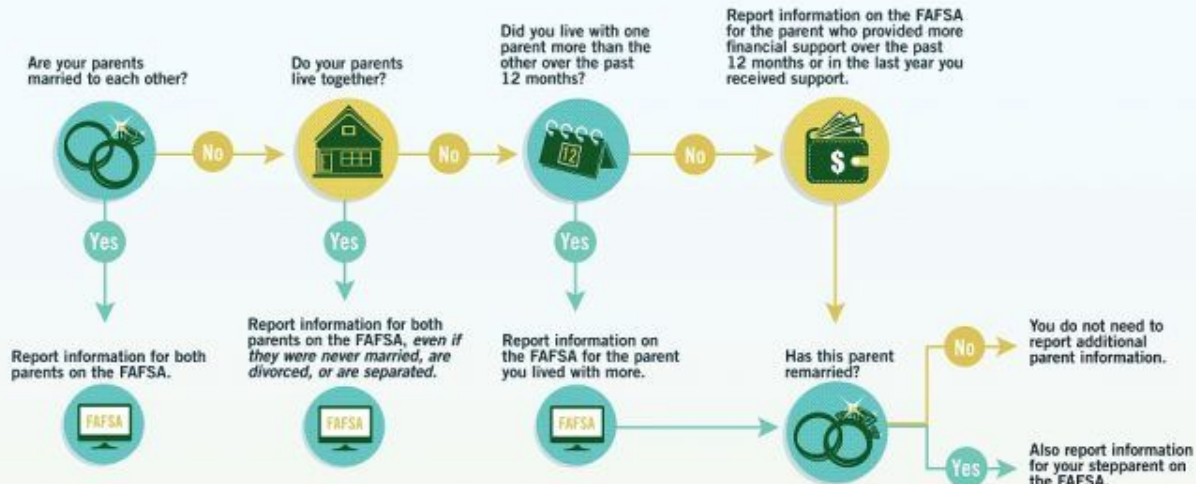
# How/When do I fill out the FAFSA?

- After October 1st of your senior year
- It is first come-first serve basis
- Go to <https://studentaid.ed.gov/sa/fafsa>
- Need prior years tax information
  - IRS retrieval tool helpful when working
- You will receive an EFC and SAR
  - EFC-Expected Family Contribution
  - SAR- Student Aid Report
- If your EFC is low enough- might qualify for MAP (IL) & Pell (US) Grants
  - **MAP: \$5,340 + PELL \$6,195 = \$11,535**

# WHO'S MY PARENT WHEN I FILL OUT MY FAFSA®?

Dependent students are required to report parent information on the *Free Application for Federal Student Aid (FAFSA)*.<sup>1</sup> For reporting purposes, "PARENT" means your legal (biological or adoptive) parent or stepparent, or a person that the state has determined to be your legal parent.

Use this guide to figure out which parent's information to include (depending on your family situation).



The following people are not your parents unless they have legally adopted you:



Widowed Stepparent



Grandparents



Foster Parents



Legal Guardians



Older Brothers or Sisters



Aunts or Uncles

If you're not sure whom to report as a parent, you can visit [StudentAid.ed.gov/afsa/filling-out/parent-info](http://StudentAid.ed.gov/afsa/filling-out/parent-info) or call 800-4-FED-AID (800-433-3243).

<sup>1</sup> If you're not sure whether you are a dependent student, go to [StudentAid.gov/afsa/filling-out/dependency](http://StudentAid.gov/afsa/filling-out/dependency)

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# Student Aid Report

Key Pieces to the SAR (<https://www.salliemae.com/college-planning/financial-aid/fafsa/student-aid-report/>)

**Expected Family Contribution (EFC)-** Your EFC is an index number that colleges use to determine how much financial aid you're eligible to receive.

**Verification-** If there's an asterisk next to your EFC, it means your student aid report requires further verification.

**Data Release Number (DRN)-** A Data Release Number (DRN) is a four-digit number given to your application by Federal Student Aid. You can provide your DRN to a customer service agent if you need certain changes made to your FAFSA information. Do not give your DRN to anyone other than a financial aid administrator or customer service agent.

**Loan summary-** The loan summary on your SAR is where any of your outstanding federal student loans will be listed.

# What you REALLY need to know

- \*File your FAFSA and send to the schools you are interested in

- \* Cost of Attendance (COA) - EFC = Financial Need

- \*Colleges will look at your financial need for their school and give you a financial aid package

- \*Financial Aid packages are the REAL price-like buying a car

  - Net Price Calculators on websites can give you an estimate of the financial aid package



# Financial Aid Award Letter

Please accept, sign and return one copy.

Sample  
from  
Whitman  
College

<b>1</b> <u>Your Financial Aid Award</u>	<u>Amount</u>	<u>Accept (Y/N)</u>	<u>Loan Amount*</u>
<b>A</b> Stephen B L Penrose Scholarship	\$14,000	_____	
<b>B</b> Lomen-Douglas Scholarship	\$14,926	_____	
<b>C</b> College Bound Scholarship	\$11,904	_____	
<b>D</b> Federal Pell Grant	\$4,770	_____	
<b>E</b> Direct Subsidized Loan	\$3,500	_____	_____
<b>E</b> Direct Unsubsidized Loan	\$2,000	_____	_____
<b>F</b> Federal Work Study	\$2,500	_____	
<b>2 Award Total</b>	<b>\$53,600</b>		

*\*You may request a different loan amount, but please pay attention to the annual loan limits based on your class level. (Refer to general information sheet). Subsidized loan and work study eligibility is based on estimates and may change once your FAFSA results have been reviewed. Work study should not be used in calculating your payment. Work study wages are paid directly to the student.*

<b>3</b> <u>Estimated Cost of Attendance (COA)</u>		<b>4</b> <u>Expected Family Contribution (EFC)</u>	
Tuition and Fees	\$49,780	Parent Contribution	\$5,205
Room and board	\$12,524	Student Contribution	\$2,144
Books & Incidentals	\$1,400		
Travel	\$250		
		<b>Total EFC</b>	<b>\$7,349</b>
<b>Total COA</b>	<b>\$63,954</b>	<b>Financial Need (COA-EFC)</b>	<b>\$56,605</b>

# Scholarships/Grants

- Scholarships can be need based or merit based.
- Biggest scholarships come from institutions themselves!
- Grants can come from schools and state/federal government (based on income, circumstances, or even occupation)
- Smaller local scholarships are posted on the Normal West Counseling website
- Think twice about “automatic scholarship offers” in the mail.



# Federal Loan Options- <https://studentaid.ed.gov/sa/repay-loans/understand#when-begin>

**Direct Subsidized Loans and Direct Unsubsidized Loans- Undergraduate 3.73%**

**Direct Unsubsidized Loans- Graduate or Professional 5.28%**

**Direct PLUS Loans Parents and Graduate or Professional Students 6.28%**

## **When do I begin repaying my federal student loan?**

You don't have to begin repaying most federal student loans until after you leave college or drop below half-time enrollment.

However, PLUS loans enter repayment once your loan is fully disbursed (paid out).

Your **loan servicer** or **lender** must provide you with a loan repayment schedule that states when your first payment is due, the number and frequency of payments, and the amount of each payment. Keep in mind that your loan may have a grace period.

The grace period is a set period of time after you graduate, leave school, or drop below half-time enrollment before you must begin repayment on your loan. The grace period gives you time to get financially settled and to select your repayment plan. Not all federal student loans have a grace period.

# 10 Ways to Reduce Sticker Price

- 1) Apply for the FAFSA-Grants, campus employment, and even federal loans can reduce the total amount you have to pay
- 2) Merit Scholarships from Institutions- usually based on test scores\* + GPA
- 3) Private Scholarships- Normal West Website, Employers
- 4) Legacy/Sibling Scholarships
- 5) ROTC
- 6) Tuition Exchanges (e.g. MSEP <https://msepmhhec.org/>)
- 7) Pathways to State Residency
- 8) Live at Home- A HUGE expense is going to be Room/Board
- 9) Community College Credit
- 10) Compare Financial Aid Letters

# Where can I go for help?

FAFSA Completion Day- This Friday during P/T Conferences

ISAC- We have an ISAC coach here to help with individual questions

Federal Student Aid Assistance: <https://studentaid.ed.gov/sa/contact>

Tools you can use:

[Local Scholarships](#)

[MSEP](#)