

# Financial Aid 101

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# Financial Aid Regulations:

- ▶ Determined by federal and state statutes and legislators
- ▶ Establish the eligibility for most types of aid
- ▶ Each aid program has unique eligibility requirements
- ▶ Apply to all schools





# Principles of Need Analysis

1. Government's Assumption:  
Parents and students have a certain level of financial responsibility for education.
2. The Government has established an equitable formula to evaluate present financial situation.
3. Special Circumstances - The government authorizes Financial Aid Offices to make professional judgment decisions.

# *What do I need to do?*

- ▶ Step 1: Complete College Application
- ▶ Step 2: Create your personal FSAID
- ▶ Step 3: Submit your FAFSA  
(Free Application for Federal Student Aid)
- ▶ Step 4: Submit documentation requested by your school

# What *is* an FSA ID?

[fsaid.ed.gov](https://fsaid.ed.gov)



- ✓ Used to sign the FAFSA
- ✓ Also used for corrections
- ✓ Sign your Master Promissory note and Entrance Loan Counseling
- ✓ Sign for Parent PLUS loan

# FSA ID Helpful Hints

- ▶ <https://fsaid.ed.gov>
- ▶ Student and at least one parent (if dependent) must have their own FSA ID.
- ▶ Make sure to use separate email addresses
- ▶ Do not use High School email
- ▶ Speeds up processing
- ▶ May be used by students and parents throughout aid process, including subsequent school year
- ▶ Only the owner should create a FSA ID

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### Create a New FSA ID

An FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.

Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

To create your own personal FSA ID, enter answers for the questions below and select CONTINUE.

*Important: When you are done click the CANCEL button to clear your data, even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.*

\* Required

Create An FSA ID | Edit My FSA ID

E-mail	<input type="text"/>	⊙
Confirm E-mail	<input type="text"/>	⊙
Username *	<input type="text"/>	⊙
Password *	<input type="password"/>	⊙
	<input checked="" type="checkbox"/> Numbers <input checked="" type="checkbox"/> Uppercase Letters <input checked="" type="checkbox"/> Lowercase Letters <input checked="" type="checkbox"/> Special Characters <input checked="" type="checkbox"/> 8-30 Characters <input type="checkbox"/> Show Text	
Confirm Password *	<input type="password"/>	⊙
Are you 13 years of age or older? *	<input type="radio"/> I am 13 years of age or older. <input type="radio"/> I am 12 years of age or younger.	⊙

# Timelines

- October 1<sup>st</sup>
- Institutional deadlines
- Apply early
- Reapply each year

The screenshot shows the Federal Student Aid website. At the top, it features the logo "Federal Student Aid" with the tagline "An OFFICE of the U.S. DEPARTMENT of EDUCATION" and "PROUD SPONSOR of the AMERICAN MIND®". A search bar is located on the right. Below the header is a navigation menu with five items: "Prepare for College", "Types of Aid", "Who Gets Aid", "FAFSA® Process: Applying for Aid", and "How to Repay Your Loans". The main content area has a headline: "Minds can achieve anything. We make sure they get to college." followed by the sub-headline: "At Federal Student Aid, we make it easier to get money for higher education." Below this are five featured articles, each with a profile picture of a student and a title: "HOW DO I PREPARE FOR COLLEGE?", "WHAT TYPES OF AID CAN I GET?", "DO I QUALIFY FOR AID?", "HOW DO I APPLY FOR AID?", and "HOW DO I MANAGE MY LOANS?". Each article has a short introductory paragraph. At the bottom, there is an "ANNOUNCEMENTS" section with a link: "HAS YOUR SCHOOL CLOSED? HERE'S WHAT TO DO."

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Search StudentAid.gov

Prepare for College | Types of Aid | Who Gets Aid | FAFSA® Process: Applying for Aid | How to Repay Your Loans

Minds can achieve anything. We make sure they get to college.  
At Federal Student Aid, we make it easier to get money for higher education.

**HOW DO I PREPARE FOR COLLEGE?**  
Learn about exploring careers, choosing and applying to schools, and taking required tests. Use checklists to help get ready.

**WHAT TYPES OF AID CAN I GET?**  
Read about the types of financial aid available from the government and other sources: grants, scholarships, loans, and work-study.

**DO I QUALIFY FOR AID?**  
Most people are eligible for financial aid. Find out who gets aid, how to stay eligible, and how to get eligibility back if you've lost it.

**HOW DO I APPLY FOR AID?**  
Learn how to submit your *Free Application for Federal Student Aid* (FAFSA®), how aid is calculated, and how you'll get your aid.

**HOW DO I MANAGE MY LOANS?**  
Choose a repayment plan, pay on time, avoid default, and get help with problems.

ANNOUNCEMENTS [HAS YOUR SCHOOL CLOSED? HERE'S WHAT TO DO.](#)

# File the FAFSA Electronically

FAFSA.gov

Federal Student Aid | FAFSA.gov  
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English | Español Search FAFSA Help

## Need money for college?

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

### NEW TO FAFSA.GOV?

Submitting the FAFSA form is quick, and most importantly, it's FREE. Get started today.

[START HERE >](#)

### RETURNING USER?

- Make a correction
- Add a school
- View your *Student Aid Report (SAR)*

[LOG IN >](#)

Due to scheduled site maintenance, FAFSA on the Web will be unavailable every Sunday from 3 a.m. to 11 a.m. (Eastern Time). We apologize for any inconvenience this may cause.

### FAFSA ANNOUNCEMENTS



# WHAT will you need to apply?

- ▶ 2017 Federal Tax Return and W2s or income estimates
- ▶ 2017 Untaxed income records
- ▶ Information on savings, investments, business assets and farm assets (if applicable)
- ▶ Additional outside resources such as TANF or WIC
- ▶ Driver's license (if the student has one)
- ▶ Social security number
- ▶ Alien Registration Card or Permanent Resident Card (if you are not a U.S. citizen)
- ▶ Date of birth for parents and month/year parents' marriage, divorce or separation

# Helpful information to sort through:

## ▶ Common Errors

- ▶ Use correct SSN, Correct Name, Taxes paid, Income information

## ▶ Parental information

- ▶ Divorce Situations
- ▶ Who the student lives with

## ▶ Dependency Status

- ▶ Most Students report parental information
- ▶ Some Students may have unique situation

## ▶ Don't forget to **SUBMIT!**

# IRS Data Retrieval Tool

1. Completed and filed federal tax return - retrieve from the IRS when doing FAFSA\*
2. Not everyone is eligible to use the DRT, most common:
  1. Filed Joint but now separated
  2. Married but filed head of household
  3. Married after 2017
3. If you qualify you will be prompted to complete the IRS Data Retrieval.
4. You will not see the information that has transferred - it will be blocked out.

# Sections 1, 2, 3 & 5 - Student

Personal Information for Student

Student Demographics | School Selection | Dependency Status | Parent Demographics | Financial Information | Sign & Submit | Confirmation

**STUDENT INFORMATION**


**i** Because the FAFSA belongs to the student, "you" and "your" always (unless otherwise noted) refer to the student.

Your last name ?  
Lastnamerapp

Your first name ?  
Harvey

Your middle initial ?

Your Social Security Number  
966-09-1006

Your date of birth ?  
04/19/2000 

PREVIOUS NEXT

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# Dependent VS Independent

- ▶ Independent if:

Homeless, orphan, ward of the court, foster care, legal guardianship, veteran, married, have children, in graduate school or turning 24.

- ▶ Otherwise you are dependent and must provide parent information

Who is your parent? Biological parents, not grandparents or foster parents

- ▶ Divorced parents

# Section 4- Parent

Parent Marital Status

Student Demographics ✓ School Selection ✓ Dependency Status ✓ **Parent Demographics** Financial Information Sign & Submit Confirmation

**PARENT INFORMATION**

✓ Application was successfully saved.

**i** Because the FAFSA belongs to the student, "you" and "your" always (unless otherwise noted) refer to the student.

As of today, what is the marital status of your [parents](#)? **?**

Select ▼

PREVIOUS NEXT

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# Reviewing and Changing your FAFSA info

A Student Aid Report (SAR) will be sent or emailed to you for review.

If you need to make a correction or use the data retrieval tool:

- [www.fafsa.gov](http://www.fafsa.gov) and click on “Login”

OR

- Submit documentation to college’s financial aid office.

If IRS Data Retrieval Items are altered, you will have to do the Data Retrieval again or you may have to provide a tax *transcript* to the school.

# Expected Family Contribution (EFC)

(Federal Methodology established by U.S. Congress)

Determined by filing the FAFSA

[www.FAFSA.gov](http://www.FAFSA.gov)

## Main Components of the EFC

- ▶ Income
- ▶ Assets
- ▶ Family size
- ▶ Number in College
- ▶ Age of the older parent



# What Are the Costs?



Tuition and Fees  
+ Room and Board  
+ Transportation  
+ Books & Supplies  
+ Miscellaneous Living Expenses  
= Cost of Attendance (COA)

# Financial Need Defined

## Cost of Attendance

- tuition
- fees
- books
- supplies
- room & board
- transportation
- personal expenses

minus

## Family Contributions

- from
- parents income
- students income
- spouses income

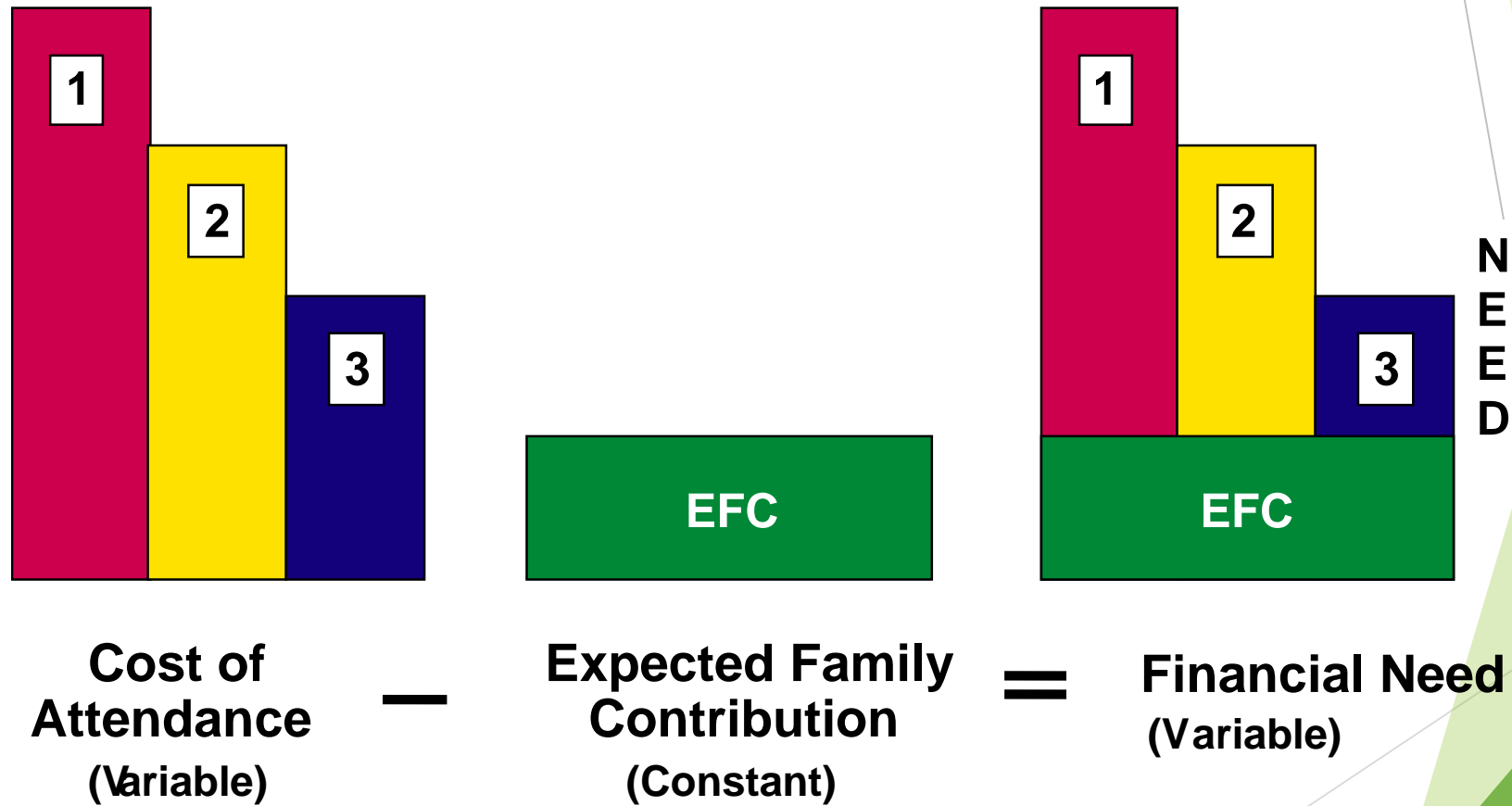
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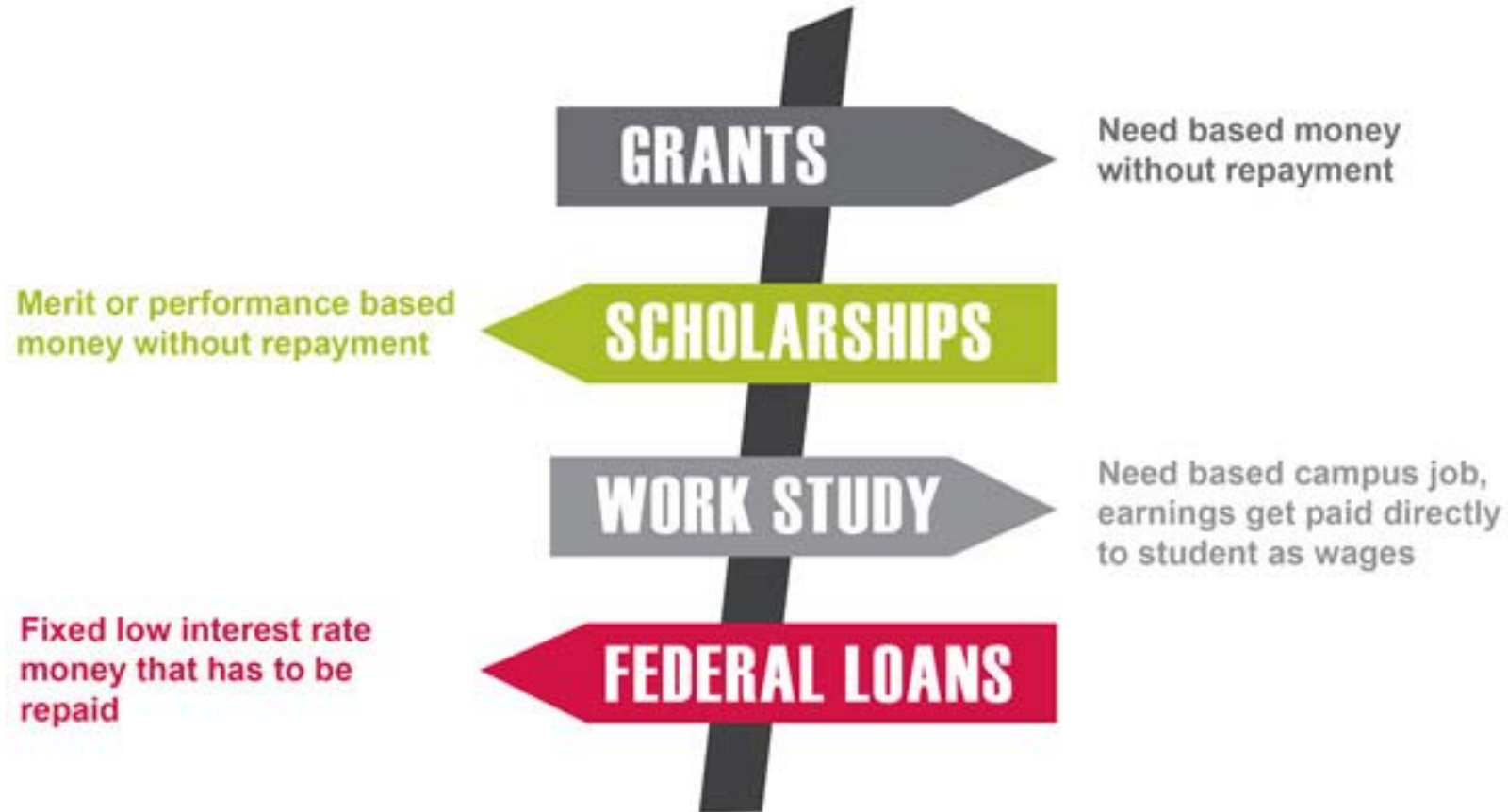
## Financial Need

Calculation of Financial Need

# Financial Need Varies by School Cost



# What is Financial Aid:



# Gift Aid (money given to you)

## Grants & Scholarships

- Federal
  - Federal Pell Grant
  - Federal Supplemental Educational Opportunity Grant (SEOG)
- State
  - Wisconsin Higher Education Grant
  - Wisconsin Tuition Grant
  - TIP Grant
- Institutional
- Private

# Self-Help Aid

## Loans (must be repaid with interest)

Federal  
Direct  
Student  
Loans -  
Subsidized

Federal  
Direct  
Student  
Loans -  
Unsubsidized

Federal  
Direct PLUS  
Loan  
(Parents)

Federal  
Perkins Loan

State Loans

Private-  
Alternative  
Loans

# Studentloans.gov

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MENU ☰



Find out your student loan repayment options here >>

Log in to StudentLoans.gov with your verified FSA ID ?

**LOG IN**

[Create an FSA ID](#)

[Natural Disasters](#)



Undergraduate Students



The first step in getting student aid is completing the Free Application for Federal Student Aid (FAFSA®) at [www.FAFSA.gov](http://www.FAFSA.gov). You must do this every year.



Graduate/Professional Students



Parent Borrowers



Repayment & Consolidation



- [Complete Entrance Counseling](#)
- [Complete Loan Agreement for a Subsidized/Unsubsidized Loan \(MPN\)](#)
- [Complete Financial Awareness Counseling](#)
- [Complete Exit Counseling](#)
- [Use the Repayment Estimator](#)
- [Complete TEACH Grant Counseling](#)
- [Complete TEACH Grant Agreement to Serve](#)



[How To Create An FSA ID](#)



Myths About Financial Aid



Overview of the Financial Aid Process



Budgeting



Responsible Borrowing

Used to complete:

- Loan Entrance Counseling
- Direct Stafford Master Promissory Note
- Direct PLUS application and Master Promissory Note
- Excellent Resource





# How to Compare College Financial Aid Offers



Tuition and Fees  
+ Room and Board  
- Grant/Scholarships & Loans  
= Net Cost

# Limits

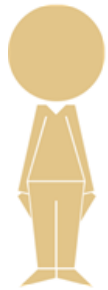
- ▶ There are career limits to what you can borrow in federal student loans and in grant funding.
  - ▶ Per year
  - ▶ Per Undergraduate vs Graduate career
- ▶ Avoiding career limits:
  - ▶ Caution when transferring to more than 1 school
  - ▶ Choose a major by the end of your 1<sup>st</sup> year
  - ▶ Complete all classes
  - ▶ Take as many classes as you can handle

# The Choice Is Yours

1. Review college aid offers
2. Decide which school will be the best for you
3. Submit an accepted aid offer to the school you enroll in



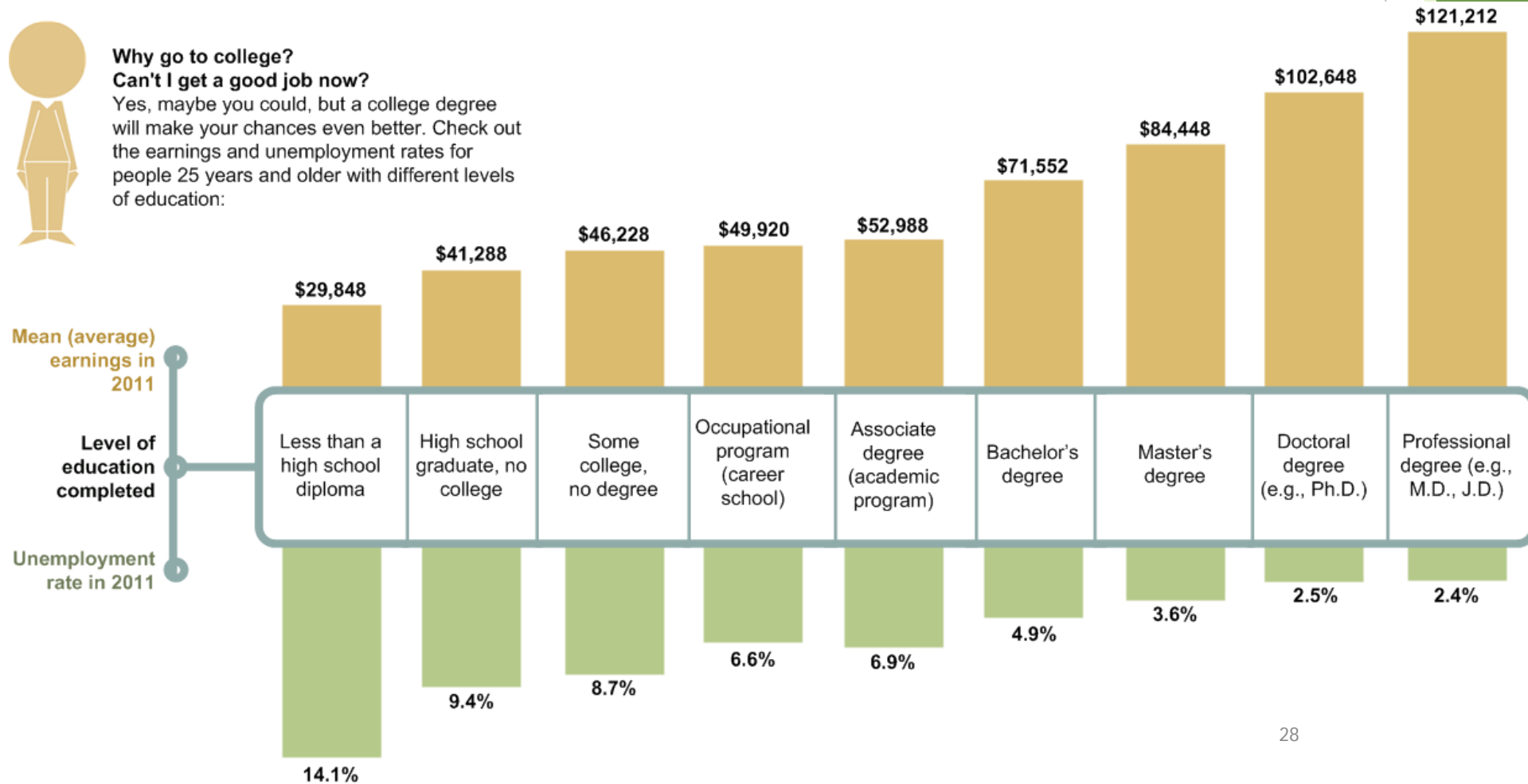
# Why Should I go beyond High School?



## Why go to college?

### Can't I get a good job now?

Yes, maybe you could, but a college degree will make your chances even better. Check out the earnings and unemployment rates for people 25 years and older with different levels of education:





Any  
Questions?

Thank  
you



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