



Paying for College

Your Guide
to State &
Federal
College Aid
Programs

Office of Higher Education
State of Connecticut
www.ctohe.org

Basic Facts of Student Aid

- 1 Students receive financial aid from a variety of sources. You may be eligible for assistance from the federal or state government, civic or church groups, your parents' employer or union, or colleges themselves.
- 2 The beginning of your senior year in high school is the best time to start inquiring about financial aid. Your best sources of information are the financial aid offices at the colleges you wish to attend.
- 3 As you research colleges, make sure to visit each college's financial aid webpage. Make a note of all deadlines, and what financial aid forms are required.

Basic Types of Student Aid

- 1 *Grants and scholarships* are outright gifts of money that don't have to be repaid.
- 2 *Loans* are borrowed funds that usually must be repaid with interest.
- 3 *Part-time jobs* are opportunities provided by colleges to work and earn money.

Student aid often is a combination of all three, known as a financial aid "package." The amount of your package depends on your *financial need*. Most federal and state aid is awarded based on financial need rather than academic merit; your financial need is determined by the information contained on your **Free Application for Federal Aid or FAFSA**.

You can find out early if you qualify for federal aid by accessing www.StudentAid.ed.gov/fafsa/estimate, but you will still need to complete the actual FAFSA.

The federal government also assists college students through the Lifetime Learning Credit and American Opportunity Tax Credit — tax credit programs for which you and your family may be eligible when completing your federal tax return. For more information, go to: www.irs.gov/Individuals/Students.

FACTS about the FAFSA

All colleges will ask you to file a FAFSA, and most students do so online at www.fafsa.ed.gov.

You must complete a FAFSA to apply for state and federal financial aid. The information contained in this application is used to determine your eligibility.

File your FAFSA as soon as possible after your family's federal income tax return is completed, or by the college's financial aid deadline — whichever is earlier. You may need to use estimated family tax data to meet the college's deadline.

The needs analysis service will review your FAFSA. Based on this analysis, you will be assigned an "**Expected Family Contribution**" (EFC) which is the amount you and your family will be expected to pay toward college costs. The EFC is used to determine your need for financial aid.

Defining Your Financial Need

The needs analysis considers your parents' income, your earnings and your family's net assets (cash, bank accounts, trusts, investments) to determine your EFC. Home equity is no longer considered in the needs analysis calculation for federal and state aid. Home equity may, however, be considered by the college in determining your eligibility for institutional aid.

The needs analysis also takes into account some family expenses. These include income taxes paid, number of family members, number of household members in college or vocational school, and your parents' need to save for retirement.

The colleges to which you apply will review the results of the needs analysis to make a final determination on how much you and your family are expected to contribute toward your educational costs. Your financial need is determined by subtracting your expected EFC from the annual cost of your education.

To meet your determined financial need, the college may combine various types of aid into a financial aid package.

This package may include grants, scholarships, a part-time job and loans. If your award includes a Federal Direct Loan, you will need to complete a separate Master Promissory Note.

Some colleges require you to complete forms in addition to the FAFSA, some of which carry a fee. Usually these colleges provide large amounts of institutional aid. They need added information for a more accurate picture of your family's financial circumstances.

Within two weeks after completing your FAFSA online, you will receive a **Student Aid Report (SAR)**. This report gives information on your eligibility for a Pell Grant. Read it carefully. The college will use the information on the SAR in deciding whether to include a Pell Grant in your financial aid award, if you are eligible.

FACTS about Loans

If you intend to borrow from a federal student loan program to finance your education, consult with your college aid officer to determine the application procedure at that particular college.

The most attractive educational loans are those targeted to financially needy students. These loans — *federal Direct Loans* and *Perkins Loans* — require no interest or repayment while the borrower is in school.

Students who do not qualify for need-based aid also have a borrowing opportunity available in the federal *Direct Unsubsidized Loan Program*.

Parents may borrow through the federal *PLUS Loan Program* and a variety of supplemental educational loan programs which your college aid officer can tell you about.

As with any loan, make sure you fully understand the interest rates, repayment terms and tax implications. Find out whether interest charges are variable or fixed, whether the loan has forgiveness or deferment provisions, whether you can consolidate the loan with other loans, and whether it carries prepayment penalties. Borrow **only** what you need. Remember that loans **must be repaid** even if you do not finish college.

FACTS to Remember

Fact 1: The amount of financial aid for which you will qualify is determined by your financial need. Though your expected family contribution will usually remain the same from college to college, your financial need will increase or decrease depending upon the costs of the college.

Fact 2: Your need for financial aid will be more at a higher cost college than at a lower cost school. However, this does not necessarily mean that either the higher cost college or the lower cost college will be able to provide you with financial aid that is sufficient to meet your financial need.

Fact 3: Colleges handle "outside scholarships" differently. In some cases, an outside scholarship will not impact your college aid package; some colleges will reduce your loan portion of the package by the amount of the outside scholarship and others will withdraw institutional grant aid by the amount of the scholarship.

Fact 4: You must apply for aid each year. Your family's federal income tax return should be completed early, allowing you to complete your FAFSA as accurately as possible.

Fact 5: If your family's tax return cannot be completed early, this information must be estimated on your FAFSA. If you must estimate, do so carefully. You may be required to submit an actual copy of your completed tax information later. If your estimate is off-base, you may have to correct the information on your application — possibly delaying or changing your financial aid award.

Fact 6: Contact all colleges to which you are applying to learn about financial aid deadlines.

Fact 7: College is a substantial investment, but it's the most important one you can make in your future. Take time to learn all of your financial aid options before you make any college decision. College financial aid officers can help you find ways to pay for your education.

To Learn More...

Your best resource is the financial aid office at the college or university you wish to attend. Contact financial aid offices at the same time you request an admission application.

You and your parents also can talk to experts and get in-depth help filling out the Free Application for Federal Student Aid (FAFSA) by attending a College Goal Sunday event. For dates, go to: www.collegegoalsundayct.org.

Many career and community organizations offer grants depending on your interests and background. For a list of public and private aid sources, and other college information, go to: www.ctohe.org/edinfo.

Often a checklist can help with academic and financial planning. Checklists for elementary, middle and high school students and their parents, prepared by the U.S. Department of Education, are available at www.StudentAid.gov.

For more information...

Education & Employment Information Center
Office of Higher Education
edinfo@ctohe.org • www.ctohe.org/edinfo

CT Talent Assistance Cooperative/Educational Opportunity Center (Central Office)
(203) 634-7669, ext. 10
www.conntacinc.org

CT Higher Education Trust
(a 529 college savings program)
(888) 799-CHET (2438)
www.aboutchet.com

CT Higher Education Supplemental Loan Authority (CHESLA)
(800) 252-3357
www.CHESLA.org

Federal Student Aid Information Center
(800) 4FED-AID • (800) 433-3243
www.StudentAid.gov
www.fafsa.ed.gov

What You Need to Know about Financial Aid...

File your FAFSA early.

Missing your college's FAFSA priority deadline could prevent you from receiving some types of federal, state, or institutional financial aid. Pay attention and follow deadlines.

Do your homework.

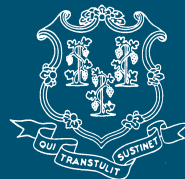
Find out about your college's financial aid application process – make sure you get any and all forms and remember deadlines.

Open your mail.

Open everything that comes in the mail or by email from the colleges to which you are applying, especially information from financial aid offices. Don't miss out on an important part of your aid package because you did not complete a form.

You are your best advocate!

Do your research, follow deadlines, and be in touch with your school's financial aid office. Remember the phrase "The squeaky wheel gets the grease?" Stay on top of your financial aid needs.



State of Connecticut

The following websites also provide information about student financial aid:

Office of Higher Education Student Financial Aid Page – www.ctohe.org/SFA
... links to state and federal programs.

Federal Student Aid on the Web – www.StudentAid.ed.gov
... information from the U.S. Department of Education on planning, preparing and paying for postsecondary education.

Financial Aid Information Page – www.FinAid.org
... click on \$Scholarships to access a wide selection of search databases. Click on Calculators for tools to determine college costs, savings goals, and how much financial aid you may need.

FastWeb – www.fastweb.com
... a highly popular, customized financial aid search site.

EFC Calculator – www.finaid.org/calculators/finaidestimate.phtml
... use this tool to estimate your Expected Family Contribution.

College Board – www.collegeboard.org
... information on the SAT and other testing, college planning.

Federal Trade Commission – www.consumer.ftc.gov/articles/0082-scholarship-and-financial-aid-scams
... information on scholarship scams and how to avoid them.

Major Sources of Financial Aid for Connecticut Students – 2015

Type of Aid	Program	Who is Eligible	Amounts (may vary)	Basis of Selection	How & When to Apply
Grants & Scholarships	FEDERAL: Pell Grant	U.S. citizen or permanent resident alien enrolled as a college undergraduate.	For 2015-16, up to \$5,775 a year.	Financial need	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
	Supplemental Educational Opportunity Grant (SEOG)	U.S. citizen or permanent resident alien enrolled as a college undergraduate.	Up to \$4,000 a year.	Financial need	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
	Iraq and Afghanistan Service Grant	A student whose parent or guardian was a member of the U.S. Armed Forces and died as a result of service performed in Iraq or Afghanistan after 9/11/01. Must be ineligible for a federal Pell Grant due only to having less financial need than required to receive Pell funds. Must be under 24 years old or enrolled in college at least part-time at the time of the parent's or guardian's death.	Equal to the amount of a maximum Pell Grant for the award year, not to exceed the cost of attendance for that award year.	Financial need	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
	TEACH Grant	U.S. citizen or permanent resident alien enrolled as an undergraduate or graduate student. Be enrolled, or plan to enroll, in course work necessary to begin a career in teaching. Students must score above the 75th percentile on a college admissions test or maintain a cumulative GPA of at least 3.25.	Up to \$4,000 a year. If a student does not follow through with all teaching requirements, the total amount of the grant converts to an unsubsidized Stafford Loan with interest due from the date of the first TEACH Grant.	Intent to teach and academic merit	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
	STATE: Governor's Scholarship – Need & Merit-Based Award	CT resident who is a high school senior or graduate with a high school junior year class rank of 20% or better and/or SAT scores of at least 1800 or ACT score of at least 27. Recipient must attend a CT public or non-profit private college.	Up to \$5,000 a year for full-time attendance in a 4-year program of study; up to \$3,500 a year for full-time attendance in a 2-year program of study.	Financial need and academic merit	Complete a Governor's Scholarship application, through high school guidance offices, by February 15, and submit a Free Application for Federal Student Aid (FAFSA) by February 15 at www.fafsa.ed.gov .
	Governor's Scholarship – Need-Based Award	CT resident who attends a CT public or non-profit private college. Recipient must have a federal Expected Family Contribution (EFC) within the allowable range.	Up to \$3,000 for full-time study in a 2- or 4-year program of study.	Allowable federal EFC	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov . Contact your college financial aid office for filing deadlines.
	Governor's Scholarship – Academic Incentive Award	CT resident who has completed 30 or more credits in the prior year; has received a Governor's Scholarship Need-Based Award in the prior year; and has a GPA equal to or greater than the required minimum.	Up to \$1,200 for full-time study in a 2- or 4-year program of study.	Allowable federal EFC	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov . Contact your college financial aid office for filing deadlines.
	CT Minority Teacher Incentive Grant	Minority junior or senior enrolled in a CT teacher preparation program.	Grants up to \$5,000 a year for 2 years; loan reimbursement of \$2,500 a year for up to 4 years of teaching in a CT public school.	Nomination by education dean	Nominations due October 15. Contact education deans at CT colleges listed on application available at www.ctohe.org/SFA .
Loans for Undergraduates	FEDERAL: Perkins Loan	U.S. citizen or permanent resident alien enrolled at an eligible postsecondary institution.	Undergraduates can borrow up to \$4,000 a year; \$20,000 total with a 5% fixed interest rate.	Available federal funds and financial need	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
	Direct Subsidized Loan (interest paid by government while borrower is in school)	U.S. citizen or permanent resident alien enrolled at an eligible postsecondary institution.	Up to \$5,500 a year for 1st-year students, \$6,500 a year for 2nd-year students, \$7,500 a year for 3rd-year students and beyond. Total amount for undergraduate study: \$23,000. Fixed interest rate of 4.29% for new loans since 7/1/15.	Financial need	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
	Direct Unsubsidized Loan (interest paid or accrued by borrower while borrower is in school)	U.S. citizen or permanent resident alien enrolled at an eligible postsecondary institution.	For dependent undergraduates, the annual and aggregate limits are the same as the Stafford Loan (see above); for independent undergraduates, up to \$9,500 a year for 1st-year students (no more than \$3,500 of this amount may be in subsidized loans), \$10,500 a year for 2nd-year students (no more than \$4,500 of this in subsidized loans), \$12,500 a year for 3rd-year students and beyond (no more than \$5,500 of this in subsidized loans). Fixed interest rate of 4.29%.	Cost of attendance	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
Loans for Graduate Students	FEDERAL: Direct Unsubsidized Loan	U.S. citizen or permanent resident alien enrolled at an eligible postsecondary institution.	Annual maximum loan amount is \$20,500. Up to \$8,500 of this amount may be subsidized. Cumulative loan limit of \$65,500 for undergraduate and graduate borrowing. (Certain medical school students may be able to borrow up to \$40,500 a year with a cumulative limit of \$189,125.) Fixed interest rate of 5.84%.	Financial need and cost of attendance	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
	Graduate PLUS Loan	Graduate or first-professional student who is a U.S. citizen or permanent resident alien enrolled at an eligible postsecondary institution.	Annual maximum is determined by the Cost of Attendance (COA) less any financial aid received, including Federal Stafford loan eligibility. Fixed interest rate of 6.84%.	Credit history	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .
Loans for Families	FEDERAL: PLUS Loan	Parents who wish to borrow to help pay for their child's education.	May annually borrow up to full cost of education less other aid. Graduate students also may borrow through the Graduate PLUS Loan Program. Fixed interest rate of 6.84%.	Credit history	Contact college financial aid office. More information is available at www.StudentAid.ed.gov .
	STATE: CHESLA Loan	Family with student enrolled at least half-time in a CT public or non-profit private college or a CT resident enrolled at least half-time in a public or private non-profit college anywhere in the U.S.	May annually borrow up to full cost of education less other aid at a low fixed interest rate (4.95% or APR between 5.33% to 5.45%). Family only pays interest during in-school years. Graduate and professional students may capitalize interest while in school. Upon completion of college, the loan is paid off over 140 months.	Ability to repay loan and credit history	Apply through the CT Higher Education Supplemental Loan Authority (CHESLA) at www.chesla.org .
Loan Forgiveness	FEDERAL: Perkins Loan	Perkins Loan borrowers who have served full-time in a public or nonprofit elementary or secondary school as a teacher in a school serving low-income students or a special education teacher or a teacher in the fields of mathematics, science, foreign languages or bilingual education or other state-designated teacher shortage field.	Cancellation up to 100% of loan balance; 15% canceled for the 1st and 2nd years of teaching, 20% canceled for the 3rd and 4th years of service and 30% canceled for the 5th year of service.	N/A	Go to http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service .
	William D. Ford Direct Loan Program Public Service Loan Forgiveness	Borrowers who enter or are in full-time public service jobs and have made 120 payments on any of the following non-defaulted loan types: Federal Direct Stafford Loans (subsidized and unsubsidized), Federal Direct Graduate PLUS Loans, Federal Direct Parent PLUS Loans and Federal Direct Consolidation Loans.	Any remaining balances after the borrower has made 120 consecutive, on-time payments, on their eligible loans.	N/A	Go to http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service .
Work	FEDERAL: Work-Study	U.S. citizen or permanent resident alien enrolled as an undergraduate or a graduate student.	Varies, based on wages and hours worked.	Financial need	Submit a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov and contact college financial aid office. More information is available at www.StudentAid.ed.gov .