



**Funding Your Education Wisely** 

Taking A Closer Look at the Various Types of Aid and the Financial Aid Process



**Discussion Topics**

- Financial Aid Overview
  - ✦ Goal of financial aid
  - ✦ Aid options
- FAFSA Terminology
- FAFSA Overview
  - ✦ Key elements of the various sections
  - ✦ Follow up steps & special circumstances
- We'll Help

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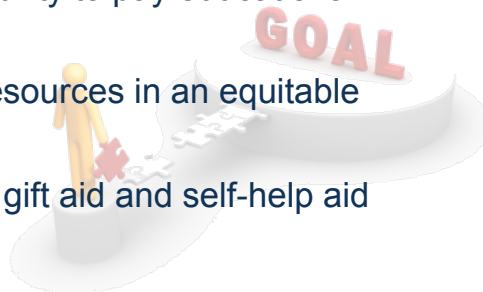
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# Financial Aid Overview



## Goals of Financial Aid

- Primary goal is to assist students in paying for college and is achieved by:
  - ✦ Evaluating family's ability to pay educational costs
  - ✦ Distributing limited resources in an equitable manner
  - ✦ Providing balance of gift aid and self-help aid






## Grants

- Free Money that doesn't have to be paid back!
- Federal
  - ✦ Pell Grant (Max: \$5,815)
  - ✦ Supplemental Educational Opportunity Grant (SEOG) (\$1K - \$4K)
  - ✦ TEACH Grant (\$4,000)
- Institutional
  - ✦ Based on merit or financial need as determined by each college



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## Grants




- State of Indiana
  - ✦ Frank O'Bannon Grant Program
    - Higher Education Award
    - Freedom of Choice Award
  - ✦ Evan Bayh 21<sup>st</sup> Century Scholars Program

For additional information on grants available visit [in.gov/che](http://in.gov/che)





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## State of Indiana Credit Completion

- Students must complete 30 credit hours each year to maintain eligibility for:
  - ✦ Evan Bayh 21<sup>st</sup> Century Scholar Awards
  - ✦ Frank O'Bannon Awards (maximum eligibility)
- Complete between 24 to 29 credit hours for reduced Frank O'Bannon Award
- Dual Credit & AP Credit goes into a "credit bank"



 | [15toFinishIndiana.org](http://15toFinishIndiana.org)

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## Scholarships

- Local & Community
  - ✦ Private Businesses
  - ✦ Community Foundation
  - ✦ Civic Organizations
  - ✦ Church Groups
  - ✦ Place of Employment
- FREE National Search Sites


**FREE Scholarship Search Engines**

Fastweb.com  
Cappex.com/scholarships  
Scholarships.com  
Chegg.com/scholarships  
Unigo.com/scholarships

Outside scholarships must be reported to the Financial Aid Office so that they may be included in the student's Financial Aid package.

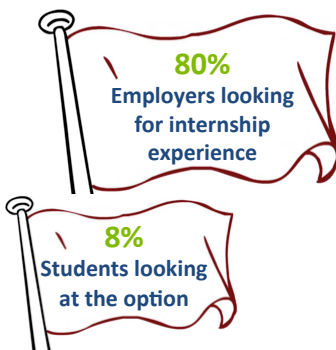
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## Student Employment

- Benefits
  - ✦ Earn money to pay for college & minimize student loans
  - ✦ Job and interview experience
  - ✦ Build time management skills
- Internships
  - ✦ Opportunity to gain experience, academic credit and possibly money



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## Education Loans


- Key factors to remember:
  - ✦ Loans **MUST** be repaid!
  - ✦ Students are limited on how much they can borrow on their own!
  - ✦ Repayment can typically be postponed while in college, but interest also starts to grow immediately



LOAN A    LOAN B    LOAN C

Additional loan information available at  
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## Education Loans

- **Federal Direct Loan (3.76% + 1.069% Fee)**
  - ✦ Student is borrower
  - ✦ Subsidized vs. Unsubsidized
  - ✦ Amount limited per year
  - ✦ Secured by completing:
    - ✦ Entrance Counseling
    - ✦ Master Promissory Note (MPN)

- **Federal Perkins Loan (5% + No Fee)**
  - ✦ Student is borrower
  - ✦ Eligibility determined by college

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## Education Loans

- **Federal Parent Loan for Undergraduate Students (PLUS) (6.31% + 4.276% Fee)**
  - ✦ One parent is borrower
  - ✦ Looking for adverse credit history
- **Private / Alternative Education Loans**
  - ✦ Critical to shop and compare rates  
**(typically 0 fees)**
  - ✦ Student is borrower with adult credit-worthy co-signer

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# FAFSA Terminology




## The Importance of the FAFSA

- Free Application for Federal Student Aid (FAFSA)
- Annual application for most forms of financial aid
- Basis for determining eligibility for:
  - ✦ Federal Funds (Grants, Scholarships, Loans and Work Study)
  - ✦ State of Indiana (Grants and Scholarships)
  - ✦ Potentially Institutional Funds
- Determines EFC



**FAFSA**<sup>®</sup>  
Free Application for Federal Student Aid

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## What is EFC?


➤ EFC = Expected Family Contribution.

  
 OR  
  
 Parent(s)  
Income & Assets

+

  
 Student  
Income & Assets

=

  
 Amount family can  
reasonably be expected to  
contribute

\$0

\$10K

\$378

\$5K


\$816

\$7.5K

\$85K

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## DC versus COA

➤ **Direct Costs** – What the student pays directly to the institution (Tuition, fees, and possibly room & board)

➤ **Cost of Attendance** – Includes direct costs above plus federal required estimates for books/supplies, transportation, living expenses, etc.

<b>Direct Costs</b>		<b>Cost of Attendance</b>	
Tuition	10,500	Tuition	10,500
Room & Board	9,700	Room & Board	9,700
<b>Total Direct Costs</b>	<b>20,200</b>	Books & Supplies*	1,200
		Transportation*	1,000
		Living Expenses*	2,000
		<b>Total COA</b>	<b>24,400</b>

\* Denotes Estimate

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# FAFSA Overview



## Help Is Available




**ISM College Planning  
is here to help!**

[Outreach@ISMCollegePlanning.org](mailto:Outreach@ISMCollegePlanning.org)  
or 317-715-9007



**FAFSA®**  
Free Application for Federal Student Aid

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**FAFSA**

- Available starting October 1<sup>st</sup>
- Looks at 2 year prior tax data

HS Graduation Year	FAFSA Year	Academic Year (Attending College Between:)	FAFSA Open Date	Tax Year Data
2017	2017-2018	July 1, 2017 - June 30, 2018	October 1, 2016	2015
2018	2018-2019	July 1, 2018 - June 30, 2019	October 1, 2017	2016
2019	2019-2020	July 1, 2019 - June 30, 2020	October 1, 2018	2017

- Built-in edits to help prevent costly errors
- Skip-logic allows applicant to skip unnecessary questions

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**Application Process**

- Submit FAFSA prior to **earliest deadline**:



Deadline:  
Received  
by  
**March  
10**


OR

COLLEGE

Deadline:  
Check with each School ?


- Some institutions require students to complete additional application requirements, such as:
  - ✦ College Scholarship Service (CSS) Profile Form
  - ✦ An institutional financial aid application


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## Federal Student Aid (FSA) ID

- What is a FSA ID?
  - ✦ Username
  - ✦ Password
- Confirms your identity
- Serves as your electronic signature
- How do you get started?
  - ✦ Go to FAFSA.gov and select the FSA ID icon



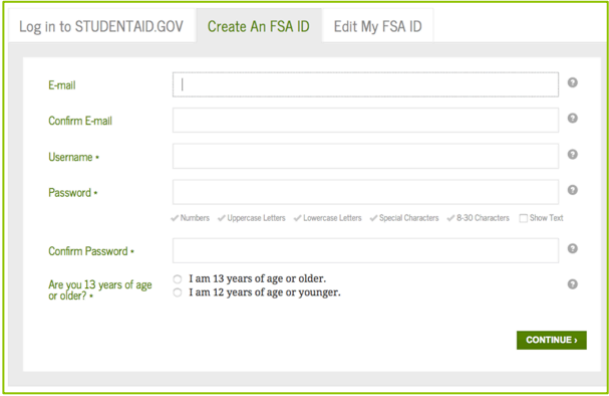


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## FSA ID

- Who needs a FSA ID?
  - ✦ Student
  - ✦ Parent of dependent student
- Unique email required for each person



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## Getting Started on the FAFSA

- Login with either:
  - ✦ Student FSA ID
  - ✦ Student Name, SSN & DOB

**NOTE:** Login is always **STUDENT** information

- Select “Start the 2017-2018 FAFSA”
- Enter Save Key – 4 to 8 character password

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## Student Demographics

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

- Main Questions to consider:
  - ✦ Citizenship – must be U.S. citizen or eligible non-citizen
  - ✦ Selective Service (male only)
  - ✦ Grade level for upcoming college year

STUDENT

Select

Never attended college/1st yr.

Attended college before/1st yr.

2nd yr./sophomore

3rd yr./junior

4th yr./senior

5th yr./other undergraduate

1st yr. graduate/professional

Continuing graduate/professional or beyond

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## Student Eligibility

➤ Main Questions to consider:

- ✦ Degree you are pursuing for the upcoming college year

Select

1st bachelor's degree

2nd bachelor's degree

Associate degree (occupational or technical program)

Associate degree (general education/transfer program)

Certificate/diploma (occupational/technical/education program of less than 2 yr.)

Certificate/diploma (occupational/technical/education program of at least 2 yr.)


Teaching credential program (nondegree program)

Graduate/professional degree

Other/undecided

- ✦ Will you have your first bachelor's degree before you start the 2017-2018 school year?

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

### School Selection Summary

You may change the positioning of any school in this list. To do so, click on the school name and then use the buttons on the right to change the position of the selected school. The **FIRST** and **LAST** buttons will move the school to either the top or bottom of your list, and the **UP** and **DOWN** buttons will move the school one position up, or one position down.

For federal student aid purposes, it does not matter in what order you list your selected schools. However, the order in which you list schools may affect your eligibility for state aid. Find more information on your state's preferences for listing schools [here](#).

School Name	Federal School Code	Housing Plans	
BALL STATE UNIVERSITY	001786	On Campus	Remove
FRANKLIN COLLEGE OF INDIANA	001798	On Campus	Remove
IVY TECH COMMUNITY COLLEGE OF INDIANA	009917	With Parent	Remove

↑ FIRST

↑ UP

↓ DOWN

↓ LAST

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## Dependent vs. Independent

Student Demographics	School Selection	Dependency Status	Parent Demographics	Financial Information	Sign & Submit	Confirmation
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➤ **Dependency questions –**  
If all answers are “No” then parent info required

- ✦ Born before January 1, 1994
- ✦ Since turning 13 – in foster care, orphan/ward of the court or parents are deceased
- ✦ Married
- ✦ Designated as homeless or self-supporting and at risk of being homeless
- ✦ Serving on active duty or veteran of US Armed Forces
- ✦ Graduate/Professional program student
- ✦ Dependents that you support
- ✦ Court determined you are emancipated minor or under legal guardianship

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## Who is the Parent?



Mom makes less money so maybe she should be the parent?



I claim them on taxes so I'm the parent, right?

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## Who is the Parent?

- Biological or adoptive parent
- Whose parent information is included on the FAFSA?

Marital Status	Whose information needs provided
Married or unmarried and living together	Both Parents
Divorced, separated or never married	The parent the student lived with more during the past 12 months. If that time is even then provide information for the parent that provided more financial support for the past 12 months.
Remarried after widowed or divorced	Parent and step-parent
Widowed	Single parent




## Parent Demographics

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

### ➤ Key elements:

- ✦ Marital status & date
- ✦ SSN, DOB, Name – federal data matches
- ✦ Number in Household
  - ✧ Student, parent(s), other dependents
- ✦ Number in College
  - ✧ Parents excluded on student's FAFSA

P  
A  
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T



## Financial Information


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

- Use 2015 tax return
- Tax completion options:
  - ✦ Already Completed
    - ✧ Use IRS Data Retrieval Tool, if eligible
    - ✧ Best option for families and colleges
  - ✦ Not required to file
  - ✦ Will File – estimate info

LINK TO IRS


IRS DRT help available at:  
**ISMCollegePlanning.org**

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## Additional Financial Information

- Two Sections
  - ✦ Additional Financial Information
    - ✧ Child support paid
    - ✧ Grant and scholarship aid reported to IRS
  - ✦ Untaxed Income
    - ✧ Payments to tax deferred pensions or retirement accounts
    - ✧ Child support received
    - ✧ Housing, food, living allowances
    - ✧ Money received or paid on your behalf (Student section only)



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## Asset Information

As of today, does the total amount of your parents' current assets exceed \$25,100.00?

Yes  No

**Does the total amount of your parents' asset net worth exceed the amount listed?**

[< PREVIOUS](#)

Select **Yes** if your parents' current asset net worth exceeds this amount as of today.

Select **No** if your parents' current asset net worth does not exceed this amount as of today.


Asset net worth means current value of the assets minus what is owed on those assets.

**Assets include:**

- Money in cash, savings, and checking accounts
- Businesses
- Investment farms
- Other investments, such as real estate (other than the home in which your parents live), UGMA and UTMA accounts for which your parents are the owner, stocks, bonds, certificates of deposit, etc.

**Assets do not include:**

- The home in which your parents live
- UGMA and UTMA accounts for which your parents are the custodian, but not the owner
- The value of life insurance
- Retirement plans (401[k] plans, pension funds, annuities, non-education IRAs, Keogh plans, etc.)



## Asset Information

As of today, does the total amount of your parents' current assets exceed \$25,100.00?

Yes  No

As of today, what is your parents' total current balance of cash, savings, and checking accounts?

\$  .00

As of today, what is the net worth of your parents' investments, including their home?

\$  .00

As of today, what is the net worth of your parents' current business farms?

\$  .00

**Help and Hints**

**Parents' Net Worth of Current Investments**  
Question 91


Enter the net worth of your parents' investments **as of today**.

The net worth of your parents' current investments is the amount left over after deducting the debt from the value of the investment.

**Investments include** real estate (do not include the home in which your parents live), trust funds, UGMA and UTMA accounts, money market funds, mutual funds, certificates of deposit, stocks, stock options, bonds, other securities, installment and land sale contracts (including mortgages held), commodities, etc.

[< PREVIOUS](#)
[NEXT >](#)

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## FAFSA Completed

- Sign & Submit
  - ✦ Student and Parent
- Confirmation Page
  - ✦ Confirmation Number
  - ✦ Transfer parent info if multiple students
  - ✦ Next Steps

2016-2017 Confirmation Page

[PRINT THIS PAGE](#)
Confirmation Number: F 01442755906 12/30/2015 11:20:02  
Data Release Number (DRN): 9999

Congratulations, Abel! Your FAFSA was successfully submitted to Federal Student Aid.

---

**Does your brother or sister need to complete a FAFSA?** If so, you can [transfer your parents' information into a new FAFSA](#) for your brother or sister to save time. Your parents will have to provide a signature again, but that's all.

**What Happens Next**


- In 7-10 business days, we will mail you a Student Aid Report (SAR) notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

School(s) on your FAFSA:

School Name	Graduation Rate	Retention Rate	Transfer Rate	Additional Information from College Navigator
BALL STATE UNIVERSITY	59%	81%	NA	NA
FRANKLIN COLLEGE OF INDIANA	61%	79%	NA	NA
IVY TECH COMMUNITY COLLEGE OF INDIANA	8%	45%	17%	NA

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## Eligibility Information

**Eligibility Information**

**Estimated Expected Family Contribution (EFC) = 999999**

The EFC is a measure of how much you can contribute to the cost of your education. Schools use your EFC to determine your federal student aid eligibility.

The EFC is not how much aid you will receive or how much you have to pay for college.

Your parent(s) indicated that they were going to file their taxes and were providing estimated 2015 tax information. Once your parent(s) have filed their tax return, you must update the information you reported on the FAFSA to reflect the actual information from the 2015 tax return your parents filed. If your parents filed a federal tax return with the IRS, when you access your FAFSA online, your parents may be eligible to use the [IRS Data Retrieval Tool](#), which is the best and easiest way to provide accurate tax information. With just a few simple steps, your parents can view information from their IRS tax return and transfer that information directly into your FAFSA.

Based on the [eligibility criteria](#), you may be eligible for the following:

[Pell Grant](#) Estimate - \$4,525.00

[Direct Stafford Loan](#) Estimate - \$5,500.00

You may also be eligible to receive other federal, state, or institutional grants, scholarships, and/or work-study.

In addition, you should learn about [federal tax benefits for education](#), including the *American Opportunity Tax Credit (AOTC)*.

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**FAFSA Processing Results**

- Student Aid Report (SAR)
  - ✦ Print from [fafsa.gov](http://fafsa.gov)
  - ✦ Identifies any issues you need to address
- Make Corrections

**Note:**  
Student & parent must sign the FAFSA when submitting corrections!

**My FAFSA**

Welcome, Harvey Demolastrname!

2016-2017 2015-2016

**Current Application Status: Processed Successfully**

Congratulations, your FAFSA was successfully processed.

**What Happens Next**

- Your FAFSA information was made available to the school(s) you listed on your FAFSA.
- Your school(s) will use your FAFSA information to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or to discuss your financial aid award.
- If you have questions about your financial aid package contact your school(s).

You can also:

- [View or Print your Student Aid Report \(SAR\)](#)
- [Make FAFSA Corrections](#) to make a change, add a school, or transfer IRS data into your FAFSA
- [View Correction History](#) to view corrections made to your FAFSA

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**Special Circumstances**

- If a special circumstance occurs make sure you talk with the Financial Aid Office at the college/university you plan to attend.
- Special Circumstances **may** include:
  - ✦ Change in employment or income status
  - ✦ Medical expenses not covered by insurance
  - ✦ Change in parent marital status
  - ✦ Unusual dependent care expenses
  - ✦ Student cannot obtain parent information

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We'll Help





## College Goal Sunday

- ▶ 2 Opportunities for Help!
  - ✦ November 13<sup>th</sup> 2016
  - ✦ February 12<sup>th</sup> 2017
- ▶ 2:00 PM
- ▶ [www.collegegoalsunday.org](http://www.collegegoalsunday.org)



[ISMCollegePlanning.org](http://ISMCollegePlanning.org)  
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Connect with us anytime! 

**Robert Sommers**

**[Outreach@ISMCollegePlanning.org](mailto:Outreach@ISMCollegePlanning.org)**

**317-416-2888**