

# Financial Aid

## Funding Your Higher Education



Kathy Brunet  
Financial Aid Counselor  
Molloy College

# Overview: What We Will Cover

- ▶ **Types of Financial Aid**
  - ▶ Grants and Scholarships
  - ▶ Federal and State Grants
  - ▶ College 529 Plans
  - ▶ Work Study
  - ▶ Loans
- ▶ **How to Apply for Financial Aid**
  - ▶ FAFSA - Application for federal student aid
  - ▶ NY State application for aid
  - ▶ CSS Profile
  - ▶ Scholarship Search Engines
- ▶ **What Happens After you apply**
- ▶ **Special Circumstances**

# What is Financial Aid??

## Gift Aid

- ▶ Grants
- ▶ Scholarships
  - ▶ May be based on:
    - ▶ Financial need
    - ▶ Merit
    - ▶ Other criteria



## Self-help Aid

- ▶ Loans
- ▶ Employment Opportunities
  - ▶ May be:
    - ▶ Need-based
    - ▶ Non-need-based

# Institutional Grants & Scholarships

- ▶ Do your research, no two colleges are alike!
- ▶ Visit campuses and college websites
- ▶ Contact Offices of Admissions and Financial Aid for more information
- ▶ Awards may be based on need, academic merit, special talent, athletics (DI and DII schools only)
- ▶ Discounts (i.e. multiple students attending same college at same time, alumni grants/scholarships)
- ▶ Always ask questions!



# Federal Grants



- ▶ **PELL Grant** - Max \$6095 2018-19
  - ▶ Award based on financial need
  - ▶ Available to FT and PT undergraduate students
  
- ▶ **SEOG Grant** - \$100-\$4000
  - ▶ Awarded to students with exceptional financial need
  - ▶ Limited, first come first served
  
- ▶ **TEACH GRANT** - Max \$4000
  - ▶ 3.25 minimum GPA requirement
  - ▶ Meet service obligation - teach FT in low income school or high need subject area for at least 4 years
  - ▶ **Repayment required** if all service obligations are not met (i.e. a grant becomes a loan)

# New York State Aid



- ▶ **Tuition Assistance Program (TAP):** \$500 - \$5165 award
- ▶ **Aid for Part Time Study (APTS)**
- ▶ **Excelsior Scholarship** (NY State public 2 & 4 year schools)
- ▶ **Enhanced Tuition Award** (Participating NYS Private schools)
- ▶ More programs at: [www.hesc.ny.gov](http://www.hesc.ny.gov)
  - ▶ Need a “HescPIN” to login or file application through FAFSA

# Excelsior Scholarship

Award up to tuition for NYS state residents with family income less than \$110k going to public colleges in NYS *(does not include fees, housing/meals, books, or other expenses)*

## Enhanced Tuition Awards

Award up to \$6000 for NYS state residents with family income less than \$110k going to private colleges in NYS *(does not include fees, housing/meals, books, or other expenses)*

- ▶ Must be NYS Resident for at least 12 months prior to award and be a U.S. Citizen, Permanent Residents, or eligible non-citizen
- ▶ Complete FAFSA & TAP application prior to June 30<sup>th</sup>
- ▶ Complete Excelsior application between June 1<sup>st</sup> & July 30<sup>th</sup>
- ▶ Enrolled full-time in a Public College in NYS
- ▶ Pursuing an associate degree or a bachelor's degree
- ▶ **Must complete 30 credits per year** (2 yrs. for assoc./4 yrs. for bachelor)
- ▶ Priority would be given to continuing students
- ▶ Lottery would be held if applicant pool exceeds available funds
- ▶ **Must sign a promissory note agreeing to live and work (if employed) in NYS for a period of time equal to the length of time received Excelsior**



# External Scholarships



- ▶ Check with H.S. guidance staff for local scholarship resources
- ▶ Free scholarship search sites:
  - ▶ [www.fastweb.com](http://www.fastweb.com)
  - ▶ <https://bigfuture.collegeboard.org/scholarship-search>
  - ▶ [www.myclollegedollars.com](http://www.myclollegedollars.com) (can access via Facebook)



# 529 College Savings Plan



- ▶ Type of investment account you can use for higher education expenses
- ▶ Tax deferred & qualified withdrawals are free
- ▶ Anyone can open a 529 account - parents, grandparents, other relatives and friends
- ▶ No age limit to the beneficiary (student)
- ▶ Can be transferred to another eligible family member if intended beneficiary does not use funds

<http://www.nysaves.org/>

<http://www.savingforcollege.com>



# Work Study/Student Employment

- ▶ **Federal Work Study** (need-based)
- ▶ **Campus Employment** (may be available to those without financial need)
- ▶ Students earn a paycheck
- ▶ Develop skills & build a resume
- ▶ Make connections on campus



# Student Loans

## Federal Direct Stafford Loans



- ▶ **Subsidized**: Must demonstrate financial need
  - ▶ No interest accrues while student is enrolled
- ▶ **Unsubsidized**: Not based on financial need
  - ▶ Interest accrues while student is enrolled
- ❖ Fixed interest rate (5.05 % 2018-19), Origination fee: 1.066%
- ❖ 6 month grace period after school (or below half-time status)
- ❖ Various repayment plans, including Income Based Repayment
- ❖ Deferment, forbearance, public service loan forgiveness
- ❖ Dependent student annual loan limits:
  - 1<sup>st</sup> year undergrad: \$5,500 (\$3500 sub, \$2000 unsub)
  - 2<sup>nd</sup> year undergraduates: \$6,500 (\$4500 sub, \$2000 unsub)
  - 3<sup>rd</sup> year + : \$7,500 (\$5500 sub, \$2000 unsub)
- ❖ Dependent student aggregate loan limits:
  - \$31,000 (\$23,000 max for subsidized loans)

# Parent Loans

## Federal Direct Parent PLUS Loan

- ▶ Available to parents of dependent undergraduate students
- ▶ Borrower must not have an adverse credit history
- ▶ Maximum loan amount: student's cost of attendance minus any other financial aid received
- ▶ Repayment options:
  - ▶ Enters repayment once loan is fully disbursed (paid out)
  - ▶ May contact servicer and defer repayment while student is enrolled half-time
    - ▶ If this option is selected, you may choose to pay nothing, or pay interest only while student is enrolled
- ▶ Fixed interest rate:
  - ▶ 7.60% for 2018-19
- ▶ Origination fees:
  - ▶ 4.248% for 2018-19



# Private Student Loans

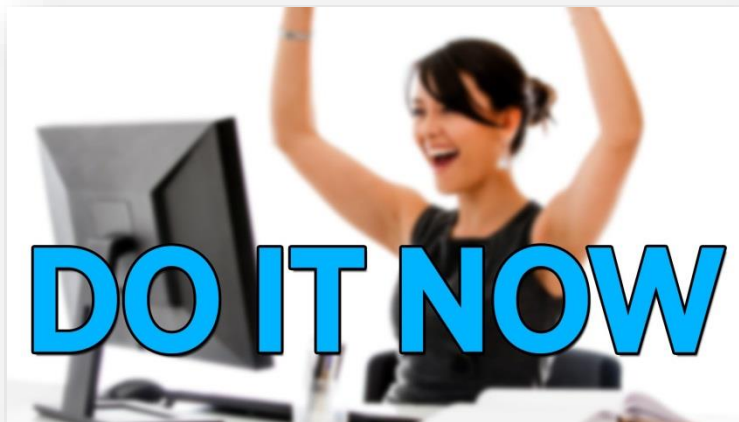
## Alternative Loans

- ▶ Student loans offered by private lending institutions
- ▶ Credit-based, may need a co-signer
- ▶ Fixed or Variable interest rate options
- ▶ Repayment typically begins after graduation



# Apply for Financial Aid Early!

- ▶ To ensure maximum consideration for aid:
  - ▶ Complete all required applications
  - ▶ Adhere to priority deadline dates
- ▶ Some aid is “*first-come, first-served*”
- ▶ Lesson here is ***The Earlier, The Better!***



# What is the FAFSA??

  
**FREE  
APPLICATION  
FOR  
\$TRESS &  
ANXIETY**





# **F**ree **A**pplication for **F**ederal **S**tudent **A**id



- Collects student and family's demographic and financial information
- Calculates Expected Family Contribution (EFC)
- Available in English and Spanish

❖ [www.fafsa.gov](http://www.fafsa.gov)



# ***Avoid being charged a fee to file the FAFSA!!***

- ▶ Be sure to go directly to [www.fafsa.gov](http://www.fafsa.gov)
- ▶ Completion and processing of the FAFSA are **FREE!**
- ▶ Contact financial aid office at colleges for questions and assistance





Home



About Us



FSA ID



StudentAid.gov



Help

SEARCH

English

Español

# Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)



## New to the FAFSA?

**Start A New  
FAFSA**

## Returning User?

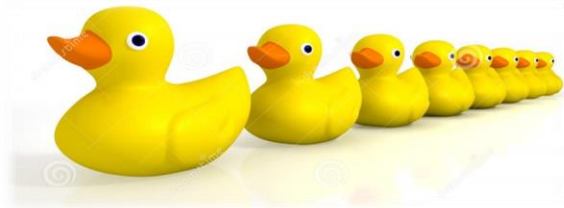
- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

**Login**

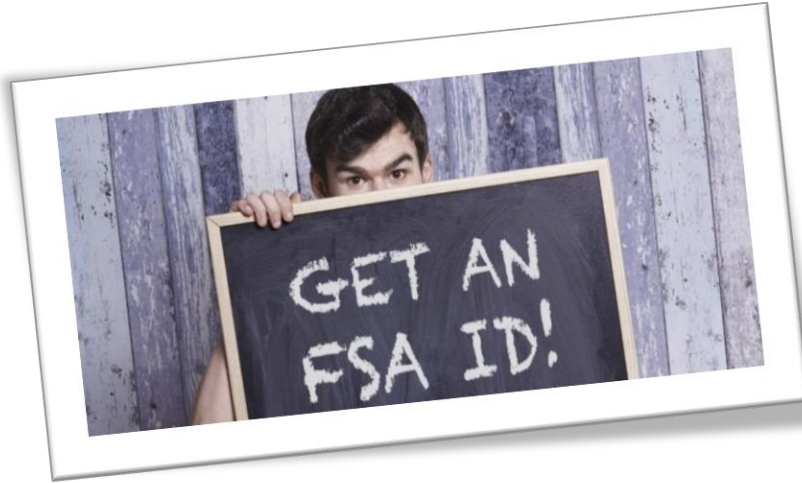
# Before You File FAFSA, **Get your ducks in a row!**

Gather records you will need

- ▶ Students' Drivers License and Social Security Card
- ▶ Parents' Social Security Card
- ▶ W-2 forms and other records of money earned in 2017
- ▶ 2017 Federal Income Tax Returns and applicable schedules
- ▶ Records of Untaxed Income
- ▶ Current Bank Statements
- ▶ Business and Farm Records (if employee 100+)
- ▶ Records of Stocks, Bonds and Other Investments
- ▶ College codes: May list up to ten college codes to receive FAFSA



# Register For an FSA ID



- ▶ Register at [www.fsaaid.ed.gov](http://www.fsaaid.ed.gov) for your FSA ID & password
- ▶ Use this to electronically sign the FAFSA
- ▶ Student **AND** (1)Parent needs their own separate FSA ID (linked to your email)
- ▶ Create ahead of time if possible

# Frequent FAFSA Errors



- ▶ Incorrect SS#, names, DOB
- ▶ Missing signatures
- ▶ Dependency questions answered incorrectly
- ▶ Income earned by students, parents/stepparents not reported
- ▶ Parent's income also reported as student's income
- ▶ Marital status incorrect on FAFSA
- ▶ U.S. income taxes paid (shouldn't be the same as AGI)
- ▶ Untaxed income questions left blank
- ▶ Real estate and investment net worth not reported or reported incorrectly
- ▶ Household size incorrect
- ▶ Number of household members in college reported incorrectly

# Prevent Errors

## Use IRS-Data Retrieval Tool (DRT)!

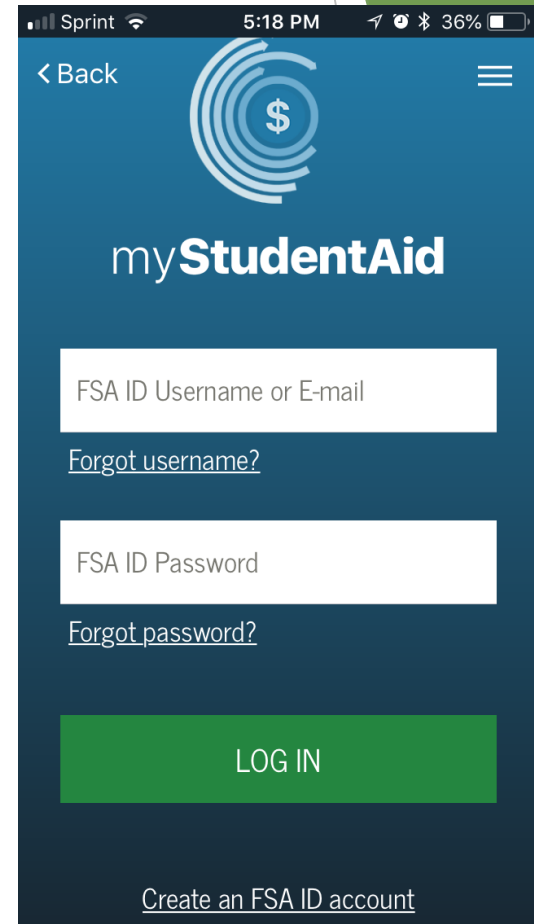
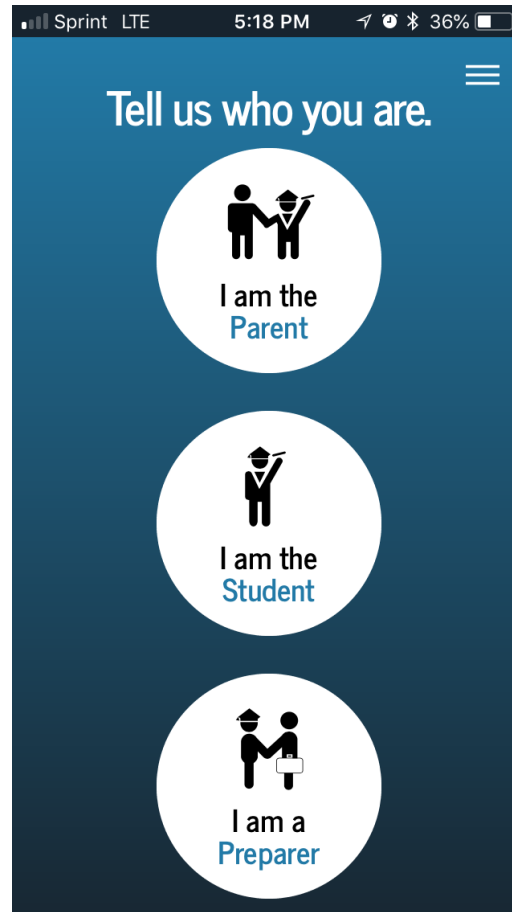
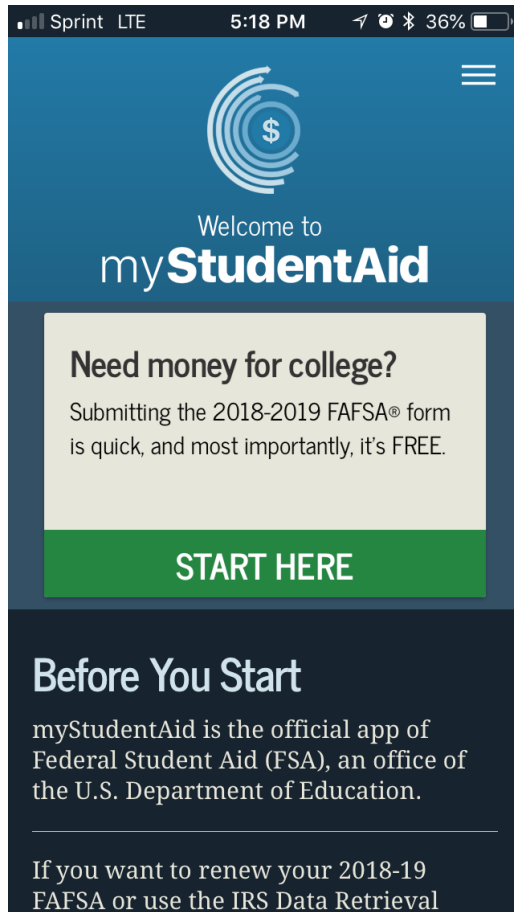


- ▶ Links the FAFSA with the IRS tax data electronically
  - ▶ Best way to ensure that the FAFSA has accurate tax information
  - ▶ Reduces errors that can result in being selected for verification, which will require you to submit tax return transcripts to the college
- ▶ DRT is available 2-3 weeks after submitting tax returns electronically or 6-11 weeks after mailing in paper tax returns.
- ▶ Reasons why you might not be eligible to use IRS-DRT:
  - ▶ Students or parents who are married and file as “Married Filing Separately” or “Head of Household”
  - ▶ Students or parents who filed a Form 1040X amended tax return
  - ▶ Students or parents who filed a Puerto Rican or foreign tax return





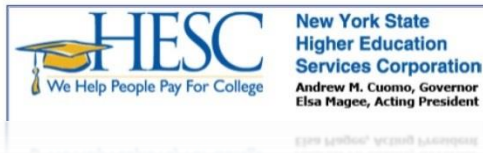
# FAFSA APP



# Apply for NY State Aid



- ▶ Separate Application-Confirmation page of FAFSA Submission
- ▶ Residency requirements
- ▶ Must attend a college in NY State
- ▶ Uses information from the FAFSA
- ▶ [www.hesc.ny.gov](http://www.hesc.ny.gov)





# CSS Profile



- ▶ Institutional Applications
  - ▶ Check to see if your colleges require one
- ▶ CSS Profile
  - ▶ Only file if required by college
  - ▶ <https://student.collegeboard.org/css-financial-aid-profile>
  - ▶ Available October 1, 2018 for 2019-2020
  - ▶ Fee: \$25 initial application, \$16 each additional college

# After You File:

- ▶ FSA sends you confirmation email
- ▶ Financial aid office receives data (7-10 days)
- ▶ Financial aid office reviews data
- ▶ Fin Aid office sends student an “award” letter
- ▶ Student needs to respond to accept or decline
- ▶ In certain instances, school may require additional financial documents to process aid



# Determining Financial Need

## **Financial Need**

How much aid can a student receive?



# Cost of Attendance

- ▶ Varies from college to college
- ▶ Comprised of **Direct Costs** and **Indirect Costs**

## Direct Costs

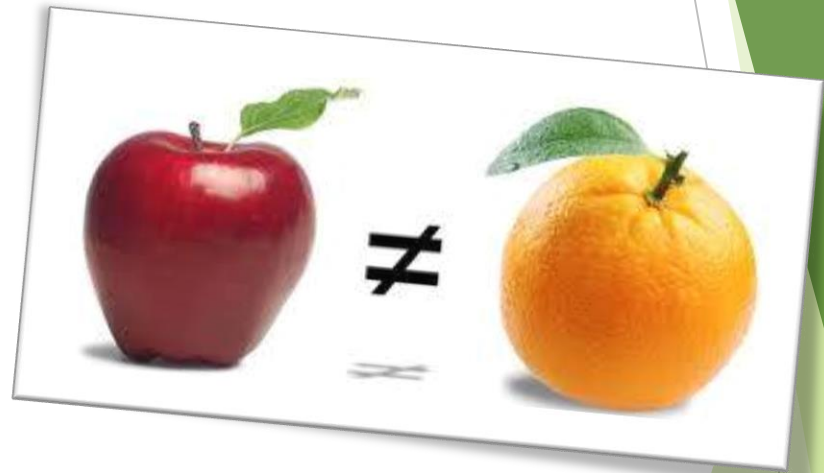


## Indirect Costs



# Comparing Your Award Letters

Instead of comparing the dollars you are receiving from each school side by side, look at the overall cost of each school (including housing, meals, and transportation) to decide which is the best option.



# Special Circumstances

- ▶ Cannot report on the FAFSA
- ▶ Send detailed statement to financial aid office *at each college*
- ▶ College will review request:
  - ▶ May request any additional documentation
  - ▶ Decisions are final and cannot be appealed to the US Department of Education

**Special**  
Circumstances

# Special Circumstances

## What Qualifies?



- ▶ Change in employment status (unemployment, reduction of hours etc.)
- ▶ Medical or dental expenses not covered by insurance
- ▶ Change in marital status
- ▶ Unusually high child care costs
- ▶ Elder care expenses
- ▶ Tuition expenses at elementary or secondary school
- ▶ Parent in college at least half-time
- ▶ Death, disability or serious illness of a wage earner
- ▶ Losses incurred due to a natural disaster



Q & A



If you would like a copy of today's presentation e-mailed to you, please contact Kathy at:

[kbrunet@molloy.edu](mailto:kbrunet@molloy.edu)

