

# Financial Aid 101: Paying for College

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## Agenda

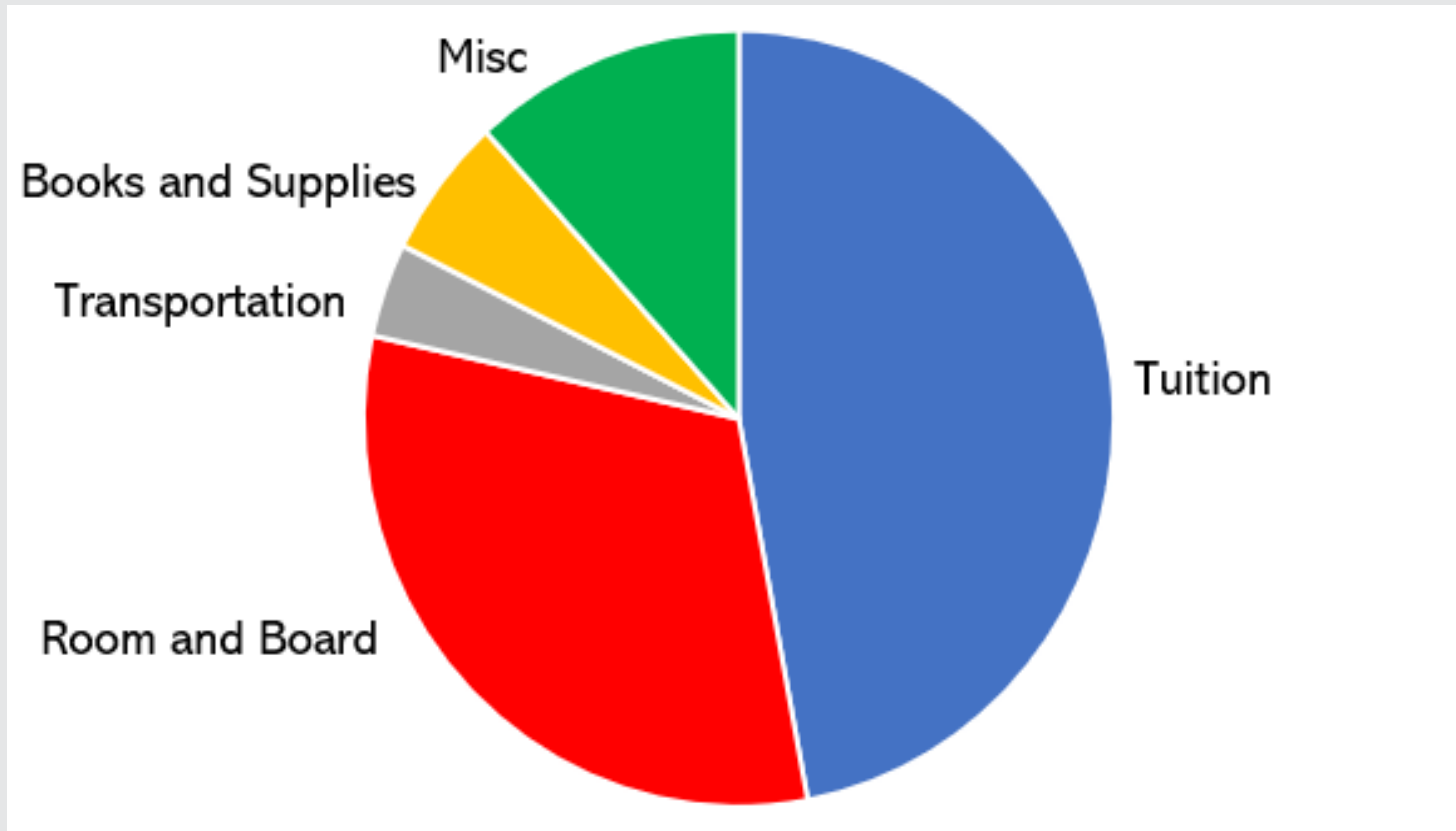
- Tuition and Cost of Attendance
- What is Financial Aid?
- The FAFSA process
- Recent changes to the financial aid process
- Tips and Resources
- Questions?

# Tuition and Financial Aid

- What matters?
  - Private vs Public vs Community College
    - Tuition differences
    - Funding differences
- Cost of Attendance- average cost to attend college for a year. Used to determine financial aid



# Cost of Attendance



## Direct Costs:

Tuition  
Housing and Food

## Indirect Costs:

Books and Supplies  
Transportation  
Miscellaneous

## Sticker Price vs Net Price

Use the Net Price Calculator

<https://collegecost.ed.gov/netpricecenter.aspx>

ex. Family of 4, income of \$45,000, lives in Virginia

College	Sticker Price	Net Price
University of Richmond	\$69,750	\$2,105
University of Virginia	\$32,360	\$6,113
Old Dominion University	\$28,300	\$14,755
University of Maryland	\$46,633	\$33,088
Northern VA Comm College	\$5132	-\$602



# What is Financial Aid?

- Financial aid consists of funds provided to students and their families to help pay for postsecondary education. Can be need-based or merit-based
- Complete a Free Application for Federal Student Aid (FAFSA) for eligibility – [www.studentaid.gov](http://www.studentaid.gov)



## About the FAFSA

- **FAFSA = Free Application for Federal Student Aid**
  - [www.studentaid.gov](http://www.studentaid.gov) or paper application
  - 2024-2025 FAFSA will look at 2022 income/ tax information
  - Collects demographic and financial information to determine SAI (Student Aid Index)
- **Yearly Application- Open by December 31<sup>st</sup>, 2023 (Apply Early!!)**
  - October 1<sup>st</sup> for future years
  - Check with colleges for any priority filing deadlines – *likely to change over the next few years*

# What is the Student Aid Index (SAI)?

- This number represents a student's ability to pay for college (formerly known as EFC). Used by colleges to determine eligibility for aid
- Two Components
  - Parent Contribution + Student Contribution
- Calculated using data from FAFSA
- Not just a rename, but a new calculation. The SAI range begins at -1500, not 0



## SAI (Student Aid Index) Example

- Example- SAI of 10,000
  - **\$25,000 Cost of Attendance - \$10,000 Student Aid Index = \$15,000 of Unmet Financial Need**
  - Up to \$15,000 *can* be awarded in grants, scholarships, work-study, and need based loan funding (not must be)
  - Colleges use Unmet Financial Need as an index to determine each student's financial aid awards

## Who is eligible?



- US Citizens or eligible noncitizens
  - Permanent resident
  - Approved Refugee or Asylee
  - Indefinite/Humanitarian parolee
  - T Visa or VAWA status

*\* DACA/ Undocumented students are not eligible for FAFSA, but could have eligibility for state aid through the VASA (Virginia Alternative State Application)*

*[vasaapp.org](http://vasaapp.org)*

## FSA ID

- Acts as online “signature” for student and parent
- Every “contributor” must give consent for information to be used on FAFSA
  - If parents are married, and filed “married filing jointly”, then only one parent needs to create FSA ID
- Make sure your info matches your SSN card (if you have an SSN)
- Parents without SSN can now create FSA ID

## Do I need my parent's information?

- FAFSA will ask a series of questions to determine if the student is dependent or independent, including:
  - 24 years or older
  - Married
  - Military service – Active or Veteran
  - Children and/or dependents that you are financially supporting
  - Foster care, deceased parents, dependent or ward of court, legal guardianship, or experiencing homelessness

If all “No” answers, student is dependent. May appeal for unique circumstances

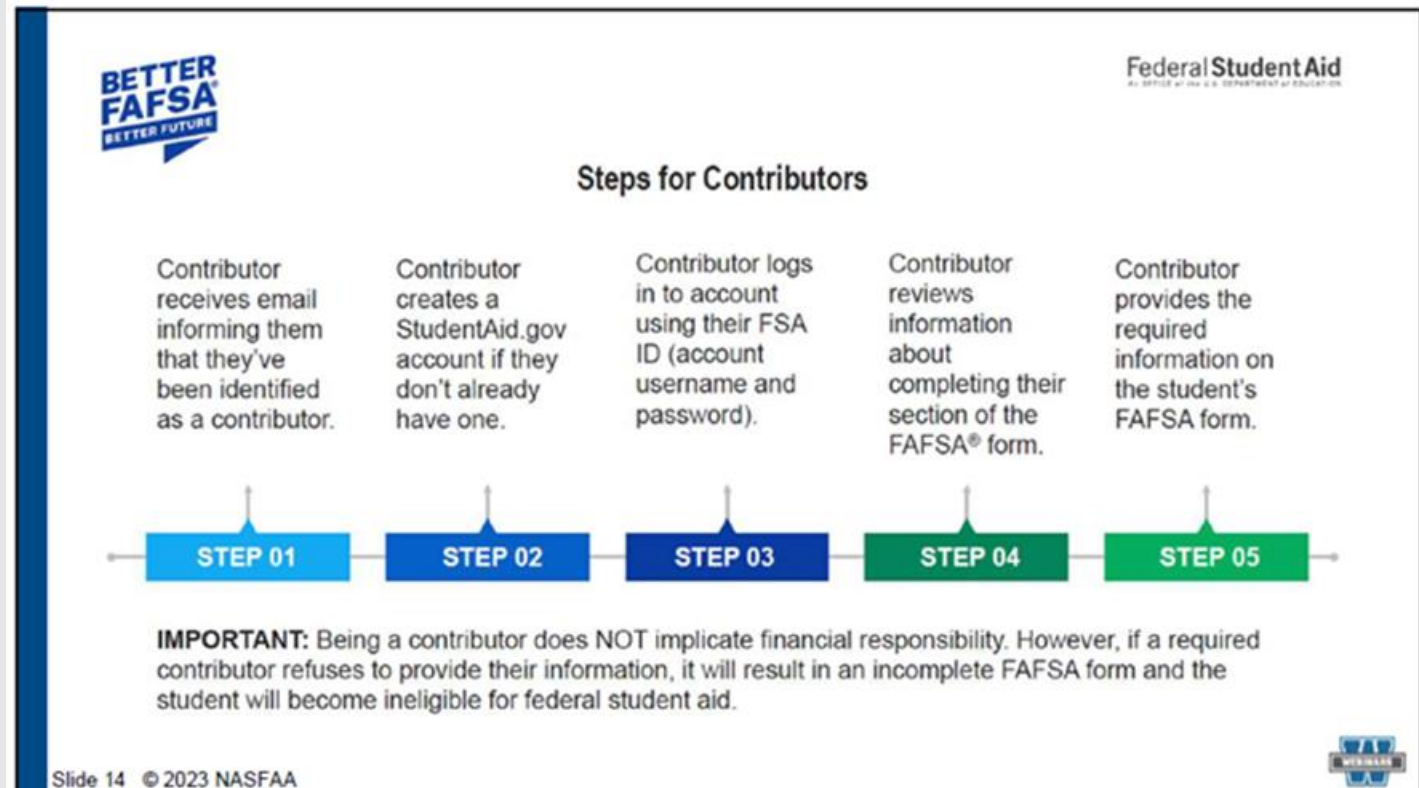
\* If “Yes” to any question, student is independent.

# Direct Data Exchange

- Transfers income/ 1040 information directly from IRS website
- Now available to everyone (even non-filers)\*
- *Limited options for manual entry of tax information*

The screenshot displays the FAFSA application progress bar at the top, with steps: Student Demographics, School Selection, Dependency Status, Parent Demographics, Parent Financials, Student Financials (6), and Sign & Submit (7). The main content area is titled "STUDENT INFORMATION" and "Student IRS Info". A green success message states: "You have successfully transferred your 2020 IRS tax information. Your IRS tax information has been successfully transferred into this FAFSA® form. Questions that were populated with tax information will be marked with 'Transferred from the IRS.' For your protection, IRS tax return information is not displayed on the FAFSA form." Below this, a question asks "What was your adjusted gross income for 2020?" with a dropdown menu showing "Transferred from the IRS" and a help icon. At the bottom, there are "Previous" and "Continue" buttons.

**All contributors  
must provide  
information on  
application**



## Other changes to FAFSA this year

- In cases of divorce or separation, the parent that provides the most financial support must be used (if that parent is remarried, stepparent must be included as well)
- FAFSA goes from 118 questions to 49 questions. Many untaxed income and asset questions removed. All most all info comes from DDX
  - Multiple children in household no longer impacts SAI
  - Increased asset protection
  - Changes to reportable income (money paid on students behalf)
  - Child Support received will be reported as asset instead of income
- Up to 20 colleges can be listed on the FAFSA

# Grants

- Money that does not have to be paid back, typically based on financial need
- Federal Grants - Federal Pell Grant (up to \$7,395 per academic year), Federal Supplemental Education Opportunity Grant (FSEOG)
- State - Virginia Guaranteed Assistance Program, Commonwealth Award, Virginia Tuition Assistance Grant (Private VA Colleges/Universities)
- Institutional Grants (might require additional application)





# Work Study

- On or off-campus job
  - Eligibility through FAFSA
- Paid by:
  - Paycheck
  - Credit to student account
  - Non-monetary compensation
  - Example: Room and Board (resident assistants)



# Loans

- Borrowed money to finance educational costs, must be repaid
- Borrower/Responsible Party - Student and/or Parent (Parent PLUS)
- Repayment
  - Student - After graduating or dropping below half-time enrollment (6 credits)
  - Parent - Typically 60 days after the first disbursement or can request deferment while student is enrolled at least half-time (interest accrues while deferred)

# Loans

- Federal Direct Student Loans – Borrow these first!
- Subsidized – fixed 5.5% interest rate, interest does not accrue while in school, based on need
- Unsubsidized – fixed 5.5% interest rate, interest accrues while in school, but does not require in-school repayment on interest, **not based on need**
- **\$5,500 yearly cap** on Stafford loans for Freshman students
- Parent PLUS Loans – parent loan, credit check, 7.05% interest, repayment plans/options not as generous
- <https://studentaid.gov/understand-aid/types/loans/>

# Scholarships

- Money that does not have to be paid back
- Usually based on merit, skill, a unique characteristic, and/or need
- Think of scholarships as a **competition** – You must win!
- Sources: Civic and religious organizations, employers, schools, etc.
- Free online web searches – LAST place to look
- Create a *Scholarship Spreadsheet* with future deadlines and application information/ timeline
- Prepare recommendation letters

## CSS Profile

- Not all schools use this! Mostly Private Schools
- Used to award institution aid
- Opens October 1<sup>st</sup>
- Through CollegeBoard account
- \$25 for application, \$16 per school to send



# Financial Aid Offer

## SAMPLE UNIVERSITY

Dear Joe Sample:

### GENERAL INFORMATION

The Office of University Financial Aid has prepared this statement using the following criteria:

**Academic Level:** Undergraduate Freshman  
**Dependency Status:** Dependent  
**College:** Undergraduate  
**Major/Program of Study:** Non-Declared Major  
**Housing Category:** On-Campus Housing

**ESTIMATED COST OF ATTENDANCE:**           **\$55,000**  
 Tuition and fees:                               \$39,000  
 Housing and meals:                             \$13,000  
 Books and supplies:                          \$ 1,000  
 Personal and miscellaneous:               \$ 2,000

### AWARD

Description	Fall	Spring	Total	Accepted Y/N
<b>1</b> President's Scholarship	\$10,000.00	\$10,000.00	\$20,000.00	Y/N
Federal Pell Grant	\$600.00	\$600.00	\$1,200.00	Y/N
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$500.00	\$500.00	\$1,000.00	Y/N
<b>2</b> State Scholarship	\$450.00	\$450.00	\$900.00	Y/N
<b>3</b> Federal Work-Study (FWS)	\$1,500.00	\$1,500.00	\$3,000.00	Y/N
Federal Perkins Loan	\$1,250.00	\$1,250.00	\$2,500.00	Y/N
Federal Stafford Loan – Subsidized	\$1,750.00	\$1,750.00	\$3,500.00	Y/N
Federal Stafford Loan – Unsubsidized	\$1,000.00	\$1,000.00	\$2,000.00	Y/N
<b>Total:</b>			<b>\$34,100.00</b>	

If any of the information in the table above is incorrect, please contact the Office of Financial Aid in writing or via the Ask the Counselor service.

## Professional Judgements

- Allows limited exceptions or adjustments to information reported on your FAFSA (special circumstances).
  - Changes in income
  - Unusual medical or childcare expenses
  - Dependency Appeals
  - Number in College\*
  - *Contact your college Financial Aid office for details*

## Tips/ Resources

- Meet all financial aid deadlines (APPLY EARLY!)
- List all colleges that you are applying to
- Verification- Respond to any college inquires ASAP (could change your eligibility)
- Confirm that FAFSA is complete (all contributors have completed their sections and signed)
- CSS Profile or VASA?



## Tips/ Resources

- Student Aid Estimator- <https://studentaid.gov/aid-estimator/>
- Academic Common Market- <https://www.sreb.org/academic-common-market>
- College Score Card- <https://collegescorecard.ed.gov/>
- Good grades = money!
- If you have a question, ASK!

**Thank you!**  
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