

# Financial Aid 101: Paying for College

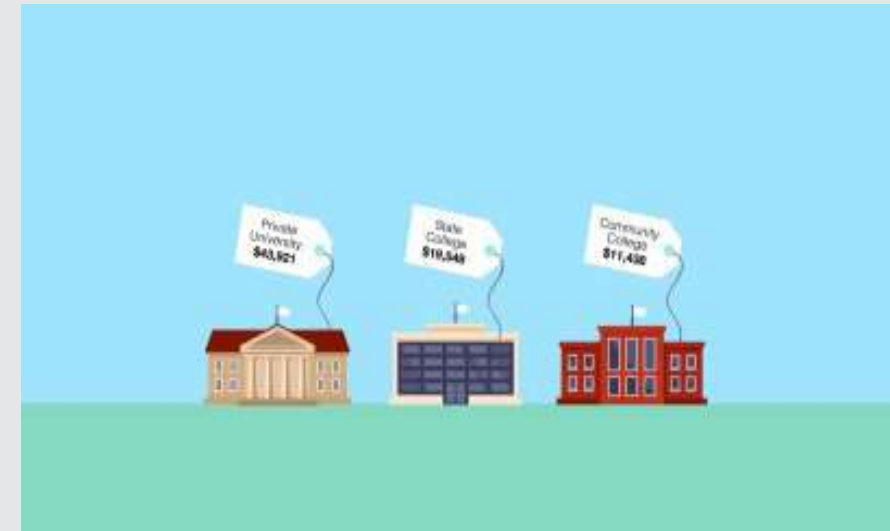
*Jimmy Mauger*

## On the Agenda...

- What is Financial Aid?
- How is it calculated?
- What types of funding are available?
- How to apply? Who is eligible?
- Pandemic related issues to keep in mind..
- Special Programs

# 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



## Sticker Price vs Net Price

Use the Net Price Calculator

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

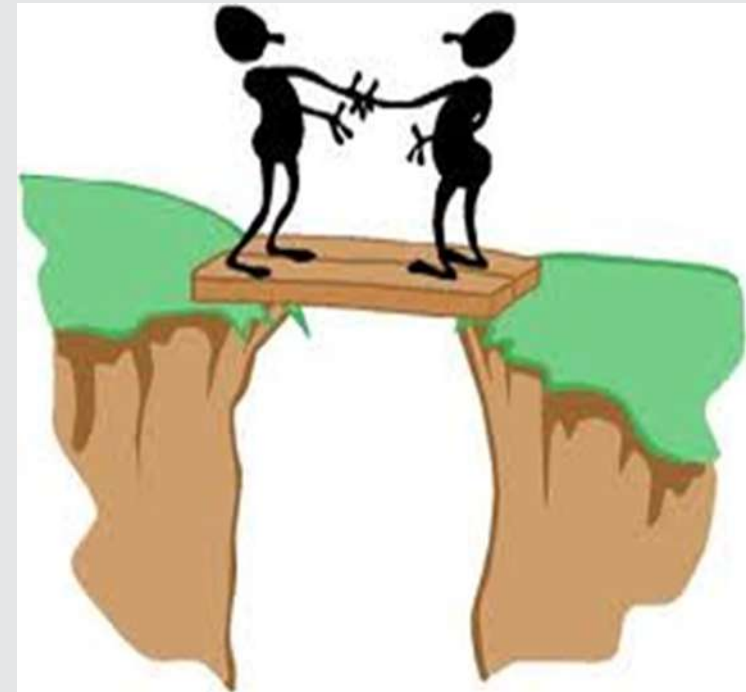
ex. Family of 4, income of \$45,000, lives in Virginia

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.
- Financial aid helps to bridge the gap between the Cost of Attendance and the Expected Family Contribution (EFC).
- Complete a Free Application for Federal Student Aid (FAFSA) for eligibility – [www.fafsa.gov](http://www.fafsa.gov)



# About the FAFSA

- **FAFSA = Free Application for Federal Student Aid**
  - [www.fafsa.gov](http://www.fafsa.gov)
  - 2022-2023 FAFSA, uses 2020 tax returns
- Collects demographic and financial information to determine EFC
- Yearly Application- Opens October 1<sup>st</sup> (Apply Early!!)
  - Check with colleges for any priority filing deadlines (*Many are in Jan, Feb*)

## Who is eligible?

- US Citizen or eligible noncitizen (Permanent resident, refugee or asylee, indefinite/humanitarian parolee, T Visa or VAWA status)
- DACA/ Undocumented students
  - State Aid eligibility



## FSA ID

- Acts as online “signature” for student and parent
- Must have SSN to create FSA ID
  - Parents without SSN must submit paper signature
- *Valid* email address, Password, challenge questions
- ***Make sure your info matches your SSN card!***



## 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
  - Master's or doctorate degree program
  - Military service – Active or Veteran
  - Children and/or dependents, provide > half of financial support
  - Foster care, deceased parents, dependent or ward of court, emancipated minor or legal guardianship, homelessness

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

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

## What does the FAFSA look at?

- **2022-2023 FAFSA= 2020 tax information**

AGI, income tax, child support paid or received, total value of cash, checking and savings, investments (529 plans included)

### **Does not look at:**

Retirement accounts such as 401k, Roth or traditional IRA accounts, value of your home, debt

# Data Retrieval Tool

- Transfer in 1040 information directly from IRS website
- Uses the address from that year's return
- Cuts down on verification process

The screenshot shows a progress bar at the top with seven steps: Student Demographics, School Selection, Dependency Status, Parent Demographics, Parent Financials, Student Financials (highlighted with a blue circle and the number 6), and Sign & Submit (highlighted with a blue circle and the number 7). Below the progress bar, the page is titled "STUDENT INFORMATION" and "Student IRS Info". A green success message box contains a checkmark icon and the text: "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 message, there is a question: "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 two buttons: "Previous" and "Continue".

# EFC (Expected Family Contribution)

- Example- EFC of 10,000
  - \$25,000 Cost of Attendance - \$10,000 Expected Family Contribution = \$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

# Grants

- Federal
  - Pell Grant (\$6495 per year), FSEOG
- State
  - Virginia Guaranteed Assistance Program, Commonwealth Award, Virginia Tuition Assistance Grant (Private VA Colleges/Universities)
- Institutional
  - Merit based vs Need based
  - Additional applications?



# 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 3.73% interest rate, interest does not accrue while in school, based on need
- Unsubsidized – fixed 3.73% 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, 6.28% 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
  - <https://bigfuture.collegeboard.org/scholarship-search>
- CAUTION – Beware of scams
  - <https://finaid.org/scholarships/scams/>

# Verification

---

- Dept. of Education might need to verify your information
  - Household size and income information
- If you can't use the Data Retrieval Tool
  - Get your transcripts from the IRS
  - Non filing letters
  - Wage and Income form
  - W2's



## CSS Profile

- Opens October 1<sup>st</sup>
- Through CollegeBoard account
- Mostly Private Schools
- \$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.

## COVID19 Impact- Income Recalculation Due to Lost Wages

- Allows more recent tax and income data to be used due to loss of job, reduced income, divorce or separation
  - Each college sets its own application requirements and deadlines
  - Must first complete 22'-23' FAFSA with 2020 taxes
  - Provide actual 2021 taxes or estimates from 2022

## Special Programs in Virginia (Community College)

- G3 (Get a skill, Get a job, Get Ahead) [www.nvcc.edu/g3](http://www.nvcc.edu/g3)
  - Last dollar scholarship for high in demand fields (Healthcare, Information Technology, Manufacturing and Skilled Trades, Early childhood education, Public Safety)
  - Total Household income less than 400% of Federal Poverty Level (around \$50k for individual or \$100k for family of four)

## Tips/ Resources

- Meet all financial aid deadlines (APPLY EARLY!)
- List all colleges that you are applying to
- 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/>

# Thank you!

Jimmy Mauger

[jmauger@nvcc.edu](mailto:jmauger@nvcc.edu)