

UNDERSTANDING FINANCIAL AID

Presented By: CHESLA

Presentation Overview

- ▶ What is CHESLA
- ▶ Choosing a School to Attend
- ▶ Applying for Financial Aid
- ▶ Understanding your Financial Award Letter
- ▶ Covering the Full Cost of Attendance
- ▶ Frequently Asked Questions
- ▶ Additional Resources

What is CHESLA?

▶ The Connecticut Higher Education Supplemental Loan Authority (CHESLA) is a state affiliated not-for-profit entity created to help students and their families finance the cost of higher education.

Our Programs and Resources:

- ▶ CT Dollars & Sense financial literacy
- ▶ Scholarships
- ▶ MyCHESLA Student Loans
- ▶ Refi CT Refinancing Student Loans
- ▶ Employer Repayment Program

Choosing Which School to Attend

First thing to consider:

in-state tuition vs. out of state tuition

Type of College	Average Published Yearly Tuition and Fees
Public Two-Year College (in-district students)	\$3,440
Public Four-Year College (in-state students)	\$9,410
Public Four-Year College (out-of-state students)	\$23,890
Private Four-Year College	\$32,410

Source: <https://bigfuture.collegeboard.org/pay-for-college/college-costs/college-costs-faqs>

Connecticut Institutions Examples

General Academic Information Comparison Table					
School Name	Location	Type/Level	In-State Tuition	Out-of-State Tuition	
Asnuntuck Community College	Enfield, CT	Public, 2-4 years	\$4,556	\$13,508	
Capital Community College	Hartford, CT	Public, 2-4 years	\$4,556	\$13,508	
Central Connecticut State University	New Britain, CT	Public, 4 or more years	\$11,502	\$24,906	
University of Connecticut	Storrs, CT	Public, 4 or more years	\$17,834	\$40,502	
Goodwin College	East Hartford, CT	Private (not-for-profit), 4 or more years	\$20,888	\$20,988	
Sacred Heart University	Fairfield, CT	Private (not-for-profit), 4 or more years	\$39,820	\$44,350	
Quinnipiac University	Hamden, CT	Private (not-for-profit), 4 or more years	\$46,780	\$50,760	

Source: <https://www.collegetuitioncompare.com/compare/tables/?state=ct>

Out of State Institutions Examples

School	City, State	In-State Tuition	Out-of-State Tuition	Price Difference
CUNY City College	New York, New York	\$ 7,340	\$ 15,290	\$ 7,950
Stony Brook University	Stony Brook, New York	\$ 10,091	\$ 27,761	\$ 17,670
Bridgewater State University	Bridgewater, Massachusetts	\$ 10,732	\$ 16,872	\$ 6,140
Framingham State University	Framingham, Massachusetts	\$ 11,380	\$ 17,460	\$ 6,080
Rhode Island College	Providence, Rhode Island	\$ 10,260	\$ 24,735	\$ 14,475
University of Rhode Island	Kingston, Rhode Island	\$ 15,004	\$ 32,578	\$ 17,574

Applying for Financial Aid







FAFSA: Free Application for Federal Student Aid



- ▶ FAFSA is used to determine federal and state eligibility and institutional need-based aid.
- ▶ Free application for student aid. State governments, colleges, and universities use it to see what aid you qualify for.
- ▶ Factors affecting the awards include:
 - ▶ Student/Parent income, number in household, number in college, etc.
- ▶ Opens on October 1st, the sooner you fill it out the better.

What you need to complete the FAFSA

GATHER THIS INFORMATION
The FAFSA asks questions about you and your finances, so have the information below handy.

-  Social Security number
-  Alien registration number
-  Federal tax information or tax returns
-  Records of untaxed income
-  Cash, savings, and checking account balances
-  Investments other than the home in which you live

DON'T HAVE ALL YOUR INFO READY YET?
That's okay; you can start the FAFSA, save it, and come back later to finish it. (To find out whether you need to report info about your parents, visit StudentAid.gov/dependency.)

► FAFSA.ED.GOV

Understanding Your Financial Award Letter

FINANCIAL AID AWARD LETTER

- ▶ Each school that you are accepted into and send your FAFSA to will send you a Financial Aid Award Letter (Shopping Sheet).
- ▶ This letter lists your financial aid awards.
- ▶ Once you choose a school, you must accept/deny the financial aid options.
- ▶ You do not have to accept everything offered.

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
1 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
2 State Scholarship	\$450.00	\$450.00	\$900.00	Y/N
3 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
Total:	\$34,100.00			

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.

Office of University Financial Aid
Sample University, 199 State Street, 4th Floor, City, MA 02009
800.555.1212 www.sampleuniversity.edu

Potential Financial Awards

Grants

- Grants are awards based on need that can come from various sources and do not have to be repaid.
- **Federal Pell Grants**
 - eligible to students with financial need who are pursuing their first undergraduate/Bachelor's degree.
- **Federal Supplemental Educational Opportunity Grant (FSEOG)**
- Administered directly by the financial aid office to students that have the most financial need.
- Not all schools participate in the program.
- **Teacher Education Assistance for College and High Education (TEACH) Grant**
- Students enrolled in programs designed to prepare to teach in high-need field at the elementary or secondary school level
- **Iraq and Afghanistan Service Grant**
- Students whose parent or guardian was a member of the U.S armed forces and died as a result of performing military service

Scholarships

- Scholarships are awards standardly based on merit achievements or accomplishments that can come from various sources and do not have to be repaid.
- **Universities**
 - All institutions offer scholarships to students. You will find out in your award letter if you received a scholarship. Some schools have scholarship portals to apply on for upperclassmen.
 - Financial aid offices usually have scholarship boards
- **Not included in award letter:**
- Scholarship opportunities offered at stores, businesses, churches, parent's jobs, etc.
- **Online resources**
 - There are scholarships for almost everything. There are websites with scholarship search engines for students.

Work-Study

- Available part-time jobs on campus for students
- Paychecks go directly to student just like a normal job
- You should **NOT** consider it a grant or scholarship.
- It is not guaranteed money but a potential amount the student can make during the academic year.
- If you are eligible, it will be shown in your financial award letter

Federal loans

DIRECT SUBSIDIZED LOANS

Direct Subsidized Loans are available to undergraduate students with financial need.

Your school determines the amount you can borrow, and the amount may not exceed your financial need.

The U.S. Department of Education pays the interest on a Direct Subsidized Loan:

- while you're in school at least half-time,
- for the first six months after you leave school (referred to as a grace period), and
- during a period of deferment (a postponement of loan payments).

DIRECT UNSUBSIDIZED LOANS

Direct Unsubsidized Loans are available to undergraduate and graduate students; there is no requirement to demonstrate financial need.

Your school determines the amount you can borrow based on your cost of attendance and other financial aid you receive.

You are responsible for paying the interest on a Direct Unsubsidized Loan during all periods.

If you choose not to pay the interest while you are in school and during grace periods and deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).

- ▶ Must submit FAFSA
- ▶ Available as Subsidized and Unsubsidized
 - ▶ Subsidized Federal Direct Stafford Loans are available to qualifying undergraduate students registered at least half-time
 - ▶ Government pays the interest while student is in school
 - ▶ Unsubsidized Federal Direct Stafford Loans are available to all students registered at least half-time
 - ▶ YOU pay the interest while the student is in school
- ▶ Both have borrowing limits per year

Annual Maximums Allowed for Federal Loans

Year	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate Annual Loan Limit	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate Annual Loan Limit	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.
Third-Year and Beyond Undergraduate Annual Loan Limit	\$7,500—No more than \$5,500 of this amount may be in subsidized loans.	\$12,500—No more than \$5,500 of this amount may be in subsidized loans.
Graduate or Professional Students Annual Loan Limit	Not Applicable (all graduate and professional students are considered independent)	\$20,500 (unsubsidized only)
Subsidized and Unsubsidized Aggregate Loan Limit	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	<p>\$57,500 for undergraduates—No more than \$23,000 of this amount may be in subsidized loans.</p> <p>\$138,500 for graduate or professional students—No more than \$65,500 of this amount may be in subsidized loans. The graduate aggregate limit includes all federal loans received for undergraduate study.</p>

Parent PLUS Loan

- ▶ Some schools show this option on Financial Aid Award Letters, but it is different from the other federal loans
 - ▶ The parent is the borrower, so the parent is legally responsible for paying the loan back
 - ▶ Credit check must be conducted to establish eligibility
 - ▶ **You do not have to accept this loan**

Time for an example!

1. Cost of Attendance=
 \$38,400

2. Grants and scholarships=
 \$17,900

**do not include work-study

3. Out of pocket costs=
\$20,500

ESTIMATED COST OF ATTENDANCE	\$38,400		
Tuition and fees:	\$24,500		
Room and board:	\$9,400		
Books, materials, and supplies:	\$1,000		
Personal, travel, misc:	\$2,000		
Computer	\$1,500		
Aid Description	Fall	Spring	Total
Federal Perkins Loan	\$1,000	\$1,000	\$2,000
Federal Stafford Loan - Subsidized	\$1,750	\$1,750	\$3,500
Federal Stafford Loan - Unsubsidized	\$1,000	\$1,000	\$2,000
School Scholarship	\$7,500	\$7,500	\$15,000
Federal Pell Grant	\$500	\$500	\$1,000
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$500	\$500	\$1,000
State Scholarship	\$450	\$450	\$900
Federal Work-Study (FWS)	\$1,500	\$1,500	\$3,000
Total			\$28,400

Covering the Full Co\$t of Attendance

Options for making up the difference

- ▶ So you know your out-of-pocket cost... what's next?
 - ▶ Savings/ CHET 529 Plans
 - ▶ Outside Scholarships
 - ▶ Payment Plans
 - ▶ Federal Loans
 - ▶ Private Loans



CHESLA NEED-BASED SCHOLARSHIP



- ▶ In 2021, CHESLA awarded 188 students with \$543,000 in scholarships.
- ▶ Applications open March 1st annually
- ▶ www.chesla.org/scholarships

Private loans

- Students/families are encouraged to exhaust all federal loan options before private loans (but are not required)
- FAFSA is not required for private loans
- Non-profit agencies (CHESLA)
- For-profit companies (Sallie Mae, Discover, Citizen's Bank, etc.)
- Compare interest rates
 - Variable rates: Interest rate can vary at any point in time during the loan
 - Fixed rates: Interest rate will stay the same throughout the life of the loan

Should I pay interest?

- ▶ Some loan programs require interest only payments while others defer the interest until after graduation.
- ▶ Regardless of whether interest only payments are required, it is a good idea to pay it if you have the option to.
- ▶ Making even one interest payment during school can save you money in the long run because the interest capitalizes, meaning the unpaid interest will begin to accrue interest as well and you will owe even more money.

	PRINCIPAL	INTEREST
No in-school payments	\$10,000	\$6,920
\$25/month in school	\$10,000	\$6,471 SAVE \$449
\$50/month in school	\$10,000	\$6,022 SAVE \$897
Full principal & interest	\$10,000	\$3,322 SAVE \$3,597

Fun Activity For Later!

Learning about interest.

▶ The benefits of paying interest

▶ ACTIVITY:

- ❑ Use the above link or the PDF supplied to access the calculator after the presentation.
- ❑ Using your Financial Aid Award Letter (or an estimate) input how much you will need to borrow in order to attend that college.
- ❑ Use a few fixed interest rates.
- ❑ After calculating, discuss how much you will have to pay over the life of the loan if you do pay interest while in school AND if you do not pay interest while in school.

Frequently Asked Questions

Q. Should I still complete FAFSA if I think my family makes too much money?

A. Even if your household income is too high for you to qualify for federal grants or work-study funds, the FAFSA is also used to determine federal student loan eligibility. Some universities also require filling out the FAFSA in order to receive some school scholarships. There's no harm in applying, and on average, it only takes 23 minutes to fill out the FAFSA.

Q. Besides federal grants and loans, where can I go to find college financial aid?

A. Students can receive financial aid from the institution they are attending, state agencies like CHESLA, and a variety of community organizations.

Q. Besides tuition and fees, room and board, what else should I include in a budget for the school year, and how can I stay on track?

A. Be sure to also budget for living expenses, textbooks and supplies, transportation, travel to and from home during breaks, and emergencies. In some cases, you might also be required to purchase certain supplies specific to your major that might not be listed in the overall estimate for the cost of attendance.

Q. How do I complete the FAFSA form if my parents are divorced or separated?

A. If your parents are divorced or separated and don't live together, answer the questions about the parent with whom you lived more during the past 12 months.

If you lived the same amount of time with each divorced or separated parent, give answers about the parent who provided more financial support during the past 12 months or during the most recent 12 months that you received support from a parent.

Q. Are there prepayment penalties for student loans?

A. For both federal and private student loans, lenders are banned from implementing prepayment penalties for student loans.

QUIZ TIME!

After you finish the presentation,
take this quiz to see what you have learned!

[Take Quiz](#)

Resources

CT Dollars & Sense

OFFICE OF HIGHER EDUCATION



Information for Students and Families; Comprehensive List of Connecticut Colleges and Universities... more

LEARN MORE



Fields of Study – Degree and Non-Degree Programs... more

LEARN MORE



Student Financial Aid – Summary of State and Federal Programs...more

LEARN MORE

iGRAD – PAYING FOR SCHOOL

Welcome to financial wellness content powered by iGrad, a leading provider of financial literacy resources and information. iGrad content represents the views of iGrad only and not the views of the CT Dollars & Sense financial literacy portal, CHESLA, CHET, the Office of Higher Education, or other participating state agencies. Inclusion of iGrad content is for informational purposes only and does not constitute a recommendation or endorsement of any such content, product or service.



Scholarship Center
Learn how to optimize your scholarship search and find quality scholarships to help pay for school... more

LEARN MORE



Expected Family Contribution: How to Talk to Your Family About Financing Your Education
Do you know what your college costs will be and if your family plans to help you cover them? If you're not sure, the best time to talk with your family about paying for college is now. more

LEARN MORE

▶ Connecticut's one-stop shop for helping you plan, save, and pay for college. Created by CHESLA, Department of Banking, Department of Consumer Protection, Treasurer's Office, & Office of Higher Education.

- ▶ Scholarship Center
- ▶ Financial Aid Articles/Information
- ▶ Calculators
- ▶ What would my loan payments be?
<https://ctdollarsandsense.igrad.com/calculators/what-would-my-loan-payments-be>
- ▶ Will I be able to afford my student loan payments on my future income?
<https://ctdollarsandsense.igrad.com/calculators/student-loan-repayment-expected-salary>

For You, Not For Profit



- ▶ <https://foryounotforprofit.org/>
- ▶ A great non-profit resource to compare state-based student loans!
 - ▶ Some states offer student loans for institutions outside of their state

Resource Links

Interest Savings Calculator

FAFSA: fafsa.ed.gov

Financial Aid & COVID: <https://studentaid.gov/announcements-events/coronavirus>

Financial Aid Information: studentaid.gov/ed | studentloans.gov

PACT: <https://www.ct.edu/pact>

CHESLA Loans: www.chesla.org

CHESLA Scholarship: www.chesla.org/scholarships

CT Dollars & Sense: www.ctdollarsandsense.com

CHET 529 Plans: <https://www.aboutchet.com/plan/> | [Does a 529 plan affect financial aid? - Savingforcollege.com](https://www.savingforcollege.com/does-a-529-plan-affect-financial-aid/)

State of CT Financial Aid Opportunities: <http://www.ctohe.org/SFA/default.shtml>

iGrad Scholarship Portal: <https://ctdollarsandsense.igrad.com/scholarships>

For You, Not For Profit: <https://foryounotforprofit.org/>

Videos

[Federal Student Aid Video](#)

[Award Letter Video](#)

[Work Study Video](#)

[Responsible Borrowing](#)

[Student Mobile App](#)

Loan Refinancing

<https://chesla.org/content/refi-ct>

<https://chesla.org/content/employers>

<https://foryounotforprofit.org/find-nonprofit-loans>

We would love your feedback!

[Feedback Form](#)