

NAVIGATING THE FINANCIAL AID PROCESS

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Presentation Overview

- Financial Aid Brief Overview
- Filing the FAFSA
- Aid Eligibility Calculation
- Types of Financial Aid Available
- Your Financial Aid Package
- Timelines

Goal of Financial Aid

- To assist students in paying for school
- To provide opportunity and access to higher education
- To help narrow the gap between what the family can pay and the cost of education

Where Does Financial Aid Come From?

- US Department of Education
- State Aid (HEAB)
- Colleges & Universities
- Private Organizations (Loans and Scholarships)

Almost **everyone** is eligible for **some** type of Financial Aid

You must apply to find out.
It's free!

**File a FAFSA
each year.**

www.fafsa.gov



FAFSA
Free Application for Federal Student Aid

FAFSA Filing Tips

1. **First**, apply for a FSA ID (student AND a parent)
 - <https://fsaid.ed.gov/>
 - Used to electronically sign the FAFSA
 - Username and password format
 - Takes 1-3 days for the FSA ID to be verified and ready to use
2. **Can also be used for:**
 - Renewal on the Web
 - Corrections on the Web
 - National Student Loan Database
 - Signing promissory notes for student/parent loans (Perkins, Stafford, PLUS)
 - Signing Entrance Counseling

FAFSA Filing Tips: Be Prepared

- FAFSA on the Web Worksheet
- Information to have ready
 - Prior-Prior year tax information
 - Prior-Prior year untaxed income information
 - Current income and asset information (as of the date FAFSA is filed)
 - Current Household information (for the school year)

FAFSA Filing Tips: IRS Data Retrieval Tool

- Federal Student Aid and the Internal Revenue Service collaborated to develop a solution that simplifies FAFSA completion
- The IRS Data Retrieval tool will allow FAFSA on the Web applicants to request and retrieve their income and tax data from the IRS
- Once the data is retrieved from the IRS, it can be transferred to your FAFSA



FAFSA Filing Tips: Assets

- Reporting Assets (Student and Parents)
 - *As of today, what is your total current balance of cash, savings and checking accounts?*
 - *As of today, what is the net worth of your (and spouse's) investments, including real estate?*
 - *As of today, what is the net worth of your (and spouse's) current businesses and/or investment farms?*

FAFSA Filing Tips: Assets, Investments

DO Include

- ✓ Real Estate
- ✓ Trust Funds
- ✓ UGMA and UTMA Accounts
- ✓ Money Market Funds
- ✓ Mutual Funds
- ✓ CODs
- ✓ Stock and Stock Options
- ✓ Bonds and other securities
- ✓ Education savings accounts (includes 529 plans)

Do NOT Include

- ✓ The home you live in
- ✓ The value of life insurance
- ✓ 401k/403b retirement plans
- ✓ Pension funds, annuities, non-education IRAs, Keogh plans
- ✓ UGMA and UTMA accounts for which you are the custodian, but not the owner

FAFSA Filing Tips: Assets, Business Income

DO include

- ✓ The market value of land, buildings, machinery, equipment, inventory, etc.

Do NOT include

- ✓ The value of a small business if your family owns and controls more than 50% of the business

AND

- ✓ The business has 100 or fewer full-time or FTE employees

FAFSA Filing Tips: Divorced/Separated Issues

- FAFSA is to be completed using parent with whom the student lived with more in the past 12 months.
 - *If student did not live with one parent more than the other, give answers about the parent who provided more financial support during the past 12 months, or during the most recent year that the student actually received support from a parent.*
- If this parent has remarried, stepparent information must also be included on the FAFSA.

FAFSA Filing Tips:

Special Circumstances

- If you have special circumstances, fill out the FAFSA with best information you have and then contact the Financial Aid Office.
- Special adjustments are determined by each institution on a case by case basis.
- Some examples include:
 - *Divorce/Separation after the FAFSA has been filed*
 - *Loss of income or benefits*
 - *Death or Disability of student or parent*
 - *Conversion of an IRA*

FAFSA Help

- <http://www.fafsa.ed.gov/help.htm>
- www.facebook.com/FederalStudentAid
- www.twitter.com/FAFSA
- www.youtube.com/FederalStudentAid
- www.storify.com/FAFSA
- www.visual.ly/users/FederalStudentAid

Expected Family Contribution (EFC)

- Determined by filing the Free Application for Federal Student Aid (FAFSA) at **fafsa.gov**.
- Your calculated eligibility for aid.
- Stays the same regardless of college attended
- Two Components:
 1. *Parent Contribution*
 2. *Student Contribution*

Financial Need Defined

$$\begin{aligned} & \text{Cost of Attendance (COA)} \\ - & \text{Expected Family Contribution (EFC)} \\ = & \text{Financial Need} \end{aligned}$$

What Are the Costs?

Tuition and Fees

- + Room and Board
- + Transportation
- + Books & Supplies
- + Miscellaneous Living Expenses

= Total Cost of Attendance (COA)

Financial Need Varies per Institution

	School 1	School 2	School 3
Cost of Attendance	\$ 39,028	\$ 19,388	\$ 14,285
Less EFC	\$ 13,828	\$ 13,828	\$ 13,828
Need	\$ 25,200	\$ 5,560	\$ 457

Types of Financial Aid

- Grants
- Scholarships
- Work-Study Employment
- Loans
- Other

Money You **Don't Pay Back** Grants

- Designated for students who demonstrate financial need.
- FAFSA serves as the starting point for all government and most state or institutional grants.

Money You **Don't Pay Back** Grants

- Federal
 - Federal Pell Grant
 - Federal Supplemental Educational Opportunity Grant (SEOG)
 - TEACH Grant*
- State
 - Wisconsin Grant
 - Talent Incentive Program (TIP) and GEAR UP
 - WI Academic Excellence
 - WI Covenant
 - Minority Retention Grant, WI Indian Grant, Handicapped Grant
- Institutional Grants
 - Funding comes from the college/university you attend

Money You **Don't Pay Back** Institutional Aid

- **A private college can be more affordable than you think**
 - **Over 90%** of Alverno College's incoming class each year receives an Alverno Academic Scholarship or Grant.
- Be sure to compare the NET PRICE instead of sticker price
 - More on the net price later...

Money You **Don't Pay Back** Scholarships

Private Scholarships

- Civic Organization Scholarships
- High School
- Local Public Library
- Private Business Scholarships
- Online Scholarship Search Engines

Other Scholarships

- Parent Affiliations/Employers

Money You **Don't Pay Back** Scholarships

Popular Scholarship Search Engines

- www.scholarshipexperts.com
- www.fastweb.com
- www.cappex.com

Money You Pay Back Loans

- Federal Stafford Loans
 - Subsidized (*interest free while you are in school*)
 - Unsubsidized (*accrues interest*)
- Federal PLUS Loan (*Parent Loan*)
- Private/Alternative Loans
- State Loans
 - *WI Nursing*
 - *Minority Teacher*
- Institutional Loans (*varies by institution*)

Money You Pay Back Loans

Annual Loan Award Limits

Aggregate (Lifetime) Limits

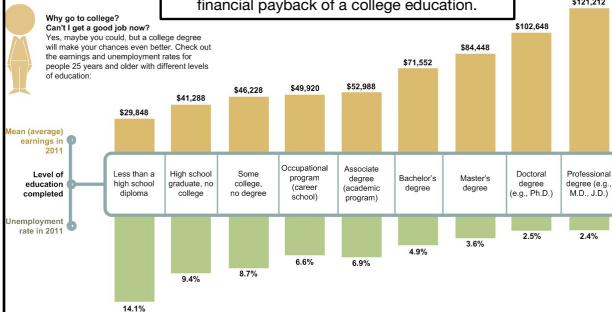
Dependent Students	Subsidized Stafford	Unsubsidized Stafford Loan	Dependent	Subsidized Limit	Combined Limit
Freshman*	\$3,500	\$2,000	Dependent	\$23,000	\$31,000
Sophomore	\$4,500	\$2,000	Independent	\$23,000	\$57,500
Junior	\$5,500	\$2,000			
Senior	\$5,500	\$2,000			
Total	\$19,000	\$8,000			

*Grade Level classification is determined by how many completed credits you have earned in your current program of study.

www.nslsds.ed.gov

Money You Pay Back Loans

Worth the investment because of the substantial financial payback of a college education.



Source: Bureau of Labor Statistics, Current Population Survey, unpublished tables, 2012.

Money You Pay Back Loans

Benefits of a federal student loan:

- *You don't have to repay it until you leave school*
- *Lower interest rates than credit cards (3.76% for 2016-17)*
- *Credit record is not needed (often helps establish credit)*
- *Co-signer is not required*
- *Many repayment options through Federal Student Aid (income-based, forgiveness plans, etc.)*

Money You **Pay Back** Loans

Money You **Pay Back** Loans

Borrow Smart

- ✓ Interest Rate
- ✓ Interest Type (variable vs. fixed)
- ✓ Borrower/Cosigner requirements & qualifications
- ✓ Minimum and Maximum loan amounts
- ✓ Fees (origination and repayment)
- ✓ Repayment period
- ✓ Consolidation options
- ✓ Deferment & Forbearance options

Money You **Earn** Employment

Employment Options

- On-Campus Employment
 - Regular Student Employment
 - Federal Work-Study
 - Internships
- Off-Campus Employment
 - Many Different Options

Other Sources of Aid

- ✓ BIA/Native American Grants/Scholarships
- ✓ Employer Tuition Reimbursement
- ✓ DVR
- ✓ Americorps
- ✓ Veterans Benefits
- ✓ ROTC

Other Financing Options

- School Payment Plans
 - *(spread over several months)*
- Home Equity Loans
 - *(longer repayment, tax-deductible)*
- Life Insurance Policy Loans
- Retirement Plan Loans
- 529 Plan Withdrawals

Your Financial Aid Package

- College Comparison Tools
 - College Navigator
 - <http://nces.ed.gov/collegenavigator/>
 - College Scorecard
 - <http://www.whitehouse.gov/issues/education/higher-education/college-score-card>
 - Net Price Calculator
 - *Each Institution is required to post to their website*

Regulation Changes

- Early FAFSA
- Prior-Prior Year (PPY) tax info on 2017-18 FAFSA
 - *Will be able to complete the FAFSA starting in October 2016 instead of January 2017*
 - *Will use student and parent 2015 tax information*
 - *Will make IRS Data Retrieval Tool easier to use*

Timelines

- You can request a FSA ID at any time
- FAFSA for the 17-18 school year is available starting 10/1/16
 - *Using 2015 tax data*
- FAFSA for the 18-19 school year will be available starting 10/1/17
 - *Uses 2016 tax data*
- Check with schools for institutional deadlines and requirements.
- Failure to apply early may result in less aid, even if otherwise eligible.
- Students must renew the FAFSA every year. Renewal notification is sent to students each year. Students with a valid e-mail address will receive e-mail reminders.

College Goal Wisconsin

www.collegegoalwi.org

- Free program to help families complete the FAFSA
- Scholarship drawing at each site
- Multiple dates and locations

MPS Team Up

333 S 27th St

11/2/16 @ 6pm
11/9/16 @ 6pm
11/5/16 @ 10am
11/12/16 @ 10am
1/18/17 @ 6pm
1/25/17 @ 6pm
1/21/17 @ 10am
1/28/17 @ 10am

Zablocki Library

3501 W Oklahoma Ave.
11/9/16 @ 6pm

Mount Mary University

2900 N Menomonee River Pl
11/12/16 @ 10am



What to bring to College Goal WI

- Social Security numbers
- Driver's license (if any)
- 2015 federal tax returns (even if you plan to link to the IRS)
- 2015 untaxed income records (Child Support)
- Most recent bank statements (or log-in information for your bank accounts)
- Rental property net worth, hobby farm net worth, stocks, bond, certificate of deposits and other investment records.
- Estimated 2015 income (bring W-2s, year-end paystubs, etc.)
- Alien registration card (if you are not a U.S. citizen)



Questions?

