

Financing A College Education

2014-2015

Financial Aid, Scholarships,
and more

Topics for Tonight

- Goal of Financial Aid
- FAFSA
- Description of Financial Aid Programs
- Timelines
- Payment options
- Other Benefits to Consider
- Resources



Goal of Financial Aid

- Goal of Financial Aid: Assist students by evaluating family's ability to pay for education, distribute limited resources in an equitable manner for an academic year.
- FAFSA 2014-2015 (Free Application For Federal Student Aid) is the key.
- Available online at www.fafsa.gov after January 1, 2014 – apply annually
- FAFSA calculates EFC (Expected Family Contribution) and determines financial need

Definition of Need

Cost of Attendance (COA)

- Expected Family Contribution (EFC)

= Financial Need/Eligibility

- * College Net Price Calculator on college website OR
- * Estimated EFC calculator at www.ohe.state.mn.us
or www.fafsa4caster.ed.gov



Cost Of Attendance

- Tuition and Fees
- Room and Board
- Books, supplies, transportation and miscellaneous personal expenses/computer
- Loan Fees
- Study Abroad Costs



FAFSA: Seven Components

1. Student Demographic Information

- * Need SSN, Drivers License, 2013 tax & asset information
- * Males register with Selective Service

2. School Selection

- * List up to 10 different schools



FAFSA: Continued...

3. **Dependency Status**

- Born before Jan 1, 1991
- Graduate or professional student
- Married/Separated (student)
- Has legal dependents other than spouse that receive more than 50% financial support from student
- Orphan/ward of the court/emancipated minor/legal guardianship/homeless
- Veteran of or currently serving on active duty in US Armed Forces
- Determined to be independent by FA office

FAFSA: Continued...

4. Parent Information

- Parent(s) name, DOB, SSN
 - Marital Status
 - Married – If biological/adoptive parents married, report information for both parents on FAFSA
 - Unmarried, but living together - If biological/adoptive parents are not married, but living together, regardless of gender, report information for both parents on FAFSA
 - Divorced/Separated – If biological/adoptive parents are divorced/separated, provide information for parent:
 - Student lived with the most in last 12 months
 - Or, if lived equal periods with each parent, parent who provided the most financial support in last year or most recent year support provided
- *If parent remarried, include stepparent information.
- Number in family/college



FAFSA: Continued...

5. Financial Information

- Use parent & student 2013 tax and asset information
- IRS Data Retrieval Tool – real time tax information transfer to FAFSA

(84% FAFSA filers able to use this tool)

- * If selected for verification and are unsuccessful in IRS DRT transfer, must request Tax Return Transcript from www.irs.gov

- Assets: student , parent

FAFSA Continued

Investments

Must report:

529 College savings plans

Trust Funds

Money markets

CD's

Other Real Estate (lake home, etc.)

UGMA/UTMA accounts

Stocks

Coverdell savings accounts

Do not report:

Home you live in

Retirement accounts

Business you own with 100 or less FT employees

Value of life insurance

Family Farm

FAFSA: Continued . . .

6. Sign & Submit

- Apply for Personal Identification Number(PIN)
- www.pin.ed.gov (today)
- Need a PIN for parent and for student
- Pin is used for:
 - signing FAFSA
 - make FAFSA corrections
 - signing federal loans
 - look up student loan history

FAFSA: Continued . . .

7. Confirmation

- Student Aid Report (SAR) review/make corrections. Available at www.fafsa.gov
- Verification selection
- Renew FAFSA each year
- Special Circumstances
 - employment changes/loss of job
 - medical expenses
 - parent enrolled in college, etc.

What is Financial Aid?

Gift Aid

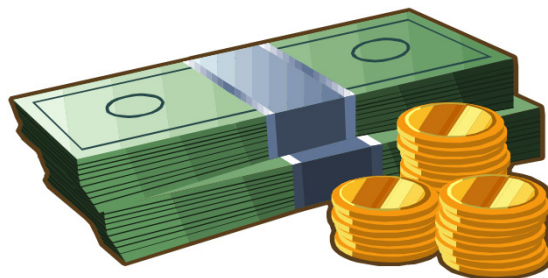
Grants (need-based)

Scholarships (merit)

Self-Help Aid

Loans

Employment
Opportunities



Gift Aid

- Grants

- Institutional/College

- State

- **Minnesota State Grant:** \$100 - \$10,450*

- Federal

- **PELL Grant:** max award = \$5645*

- **SEOG:** awards range between \$100 - \$4000*

- **Iraq & Afganistan Service Grant :** not to exceed COA

- **TEACH Grant:** \$4000* for students majoring in education, designated areas of teaching, turn into loan if do not teach after college.

*Based on 2013-2014 award amounts.

Gift Aid

- Scholarships

- Institutional/College Scholarships
- School/Local/Civic/Community Scholarships
- National Scholarships
- Search the Web ~ www.Fastweb.com
- Parent/Student place of employment

*Deadlines - winter/spring of senior year



Scams

- Never pay for scholarship or scholarship applications
- Fin Aid Seminars/Consultants: must sign fafsa
- www.fafsa.com **DO NOT USE!!!**
 - **Never pay to complete the FAFSA, it's free!
- Contact a financial aid or guidance office for advice if you're uncertain.
- <http://studentaid.ed.gov/types/scams>

Self-Help Aid

- Loans
 - Federal Perkins Loan: (5%), max \$5000 yr
 - Federal Direct Loan Program:
 - * subsidized: 3.86%, no interest accrual
 - * unsubsidized: 3.86%, accrues interest
 - \$5500 sub & unsub combination (first-year)
 - SELF Loan: 3.3% variable int or 6.9% fixed, max \$10,000 (first-year)
 - Alternative/Private Loan: 2.3% - 12%, variable & fixed options available, credit-based
 - Federal Direct PLUS Loan: 6.41% fixed rate, credit-based

Self-Help Aid

- Student Employment/Work Study
 - Funding Sources
 - Federal
 - State
 - Institution
 - Guaranteed?
 - On versus Off Campus

Time Line

- * Apply and be admitted to colleges/ universities - **NOW**
- * Research and apply for scholarships - **NOW**
- * Complete your FAFSA after January 1, 2014
(*** Note: do 2013 taxes first to use the IRS DRT)
- * FAFSA processing will take about 2 days then able to review SAR and results available to schools you listed with in 10-14 days.
- * Check with each school to determine if additional forms are needed for a complete financial aid file.
- * Most Colleges/Universities begin awarding in early to mid-March.
- * Compare Award Offers – “apples to apples”

Payment Plans

- Pre-payment plan
- Installment plan
- Semester plan
- Guaranteed Cost plan
- Others ~ check with schools to which you are applying.



Other Benefits to Consider

- American Opportunity Tax Credit
- Lifetime Learning Tax Credit
- Student Loan Interest Deduction
- Employer-Paid Tuition Assistance
- Military Service Education Benefits www.ohe.state.mn.us
- Tuition & Fees Tax Deduction
- Tuition Reciprocity www.ohe.state.mn.us
- Midwest Student Exchange Program
 - (IL, IN, KS, MI, MO, NE) www.ohe.state.mn.us

*** Always check with your tax preparer!*

Popular Web Sites

- www.fafsa.gov FAFSA
- www.pin.ed.gov FAFSA pin number
- www.fafsa4caster.ed.gov Financial Aid Estimator
- www.studentaid.ed.gov US Dept of Ed Financial Aid Info
- www.ohe.state.mn.us State of Minnesota/Scholarships/VA
- www.fastweb.com Scholarship Search
- www.finaid.org Financial Aid Info/Scholarships
- www.collegeboard.org PROFILE application & Scholarships
- www.mnsaves.org MN 529 Savings Plan

Questions?

Office of Financial Aid

Hamline University

651-523-3000 or 1-800-888-2182