



Understanding Financial Aid and the FAFSA

MAST



AGENDA

- **What is Financial Aid?**
- **Cost of Attendance (COA)**
- **Free Application for Federal Student Aid (FAFSA)**



AGENDA

- Expected Family Contribution (EFC)
- What is Financial Need?
- Sources of Financial Aid?
- The CSS Profile
- Student Aid Index (SAI)





What is Financial Aid?

- Financial aid is funding used to assist students and families to pay for postsecondary educational expenses.



What is Cost of Attendance (COA)?

- Billable Costs
- Non-Billable Costs
- Varies from college to college
- Includes:
 - Tuition and fees, room and board, books, travel, miscellaneous expenses.





Completing the FAFSA

- Create an FSA ID and password at:
[Studentaid.gov/fsa-id/create-account/launch](https://studentaid.gov/fsa-id/create-account/launch)
- The FSA ID will provide access to certain U.S. Department of Education websites.
 - Both the student and a parent need an FSA ID and password to electronically sign the FAFSA
- Provide a valid email address for the Student Aid Report (SAR) to be emailed in 3-5 days.
- **[Studentaid.gov](https://studentaid.gov)**

Prior-Prior Year FAFSA

The 2023-2024 FAFSA is available to file as of
October 1, 2022

IF YOU PLAN TO ATTEND COLLEGE FROM	YOU WILL SUBMIT THIS FAFSA	YOU CAN SUBMIT THE FAFSA FROM	USING TAX INFORMATION FROM
JULY 1, 2023 – JUNE 30, 2024	2023-2024	OCTOBER 1, 2022 -JUNE 30, 2023	2021



Documents Used to Complete FAFSA

- Federal Income Tax Returns (IRS Data Retrieval)
- W-2's
- Driver's license & SSN
- Records of untaxed income
- Child support received/paid
- Workers' compensation
- Current bank statements
- Business & farm records
- Records of stocks, bonds & investments
- Alien Registration Number (ARN), if not a U.S. citizen

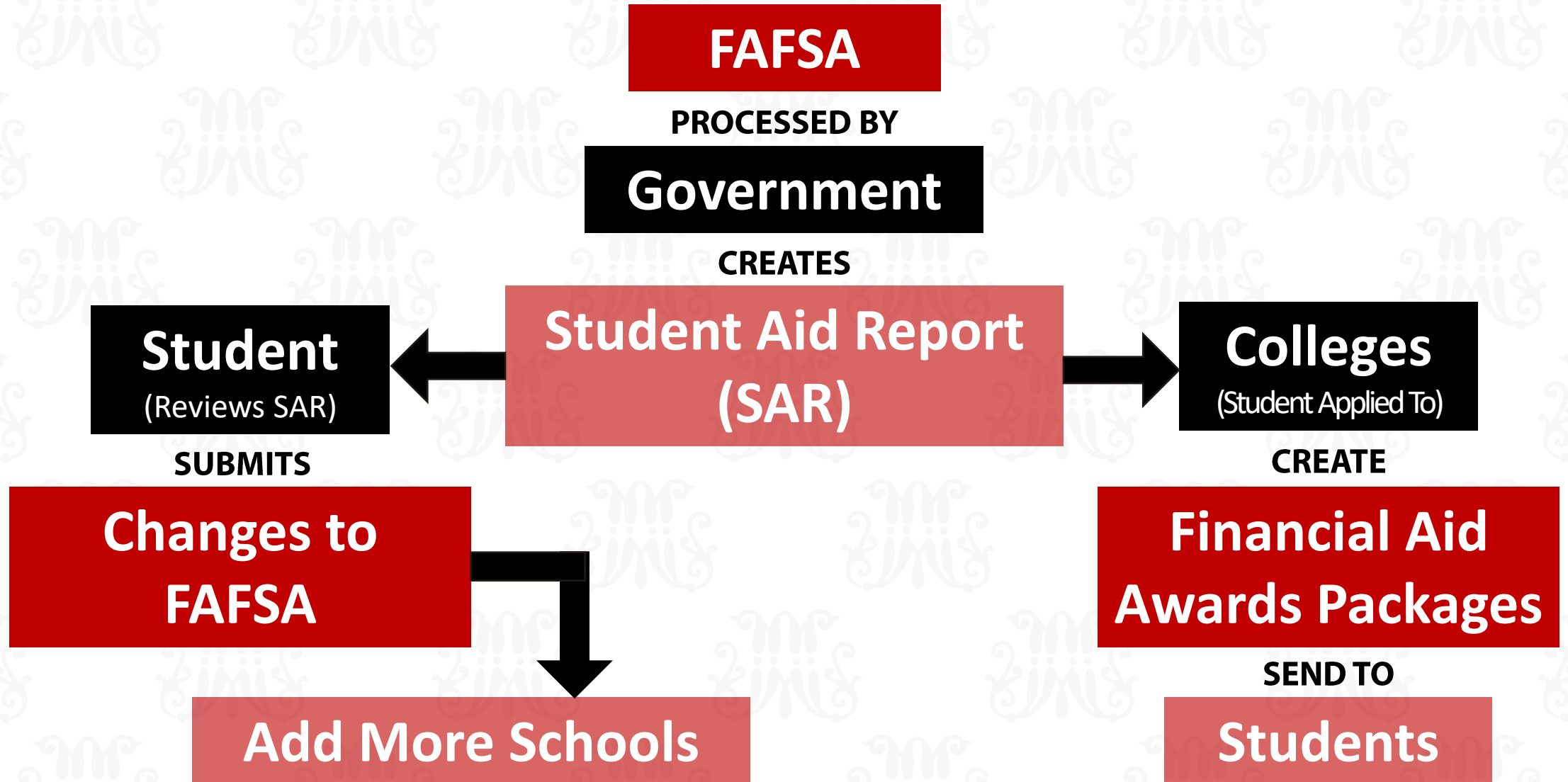


IRS Data Retrieval Tool

- Utilize the IRS Data Retrieval
- IRS will authenticate taxpayer's identity
- If match found, IRS populates tax information
- Applicant chooses whether to transfer data to the FAFSA

[Studentaid.ed.gov/sa/resources/irs-drt-text](https://studentaid.ed.gov/sa/resources/irs-drt-text)

How Does The FAFSA Work?



What is the Expected Family Contribution (EFC)?



- Calculated using data from the federal application form (FAFSA) and a federal formula. It is used to determine student aid eligibility.
- For the 2023–24 academic year, the FAFSA may be filed beginning October 1, 2022
- Amount family can reasonably be expected to contribute
- Stays the same regardless of college



Five Factors Considered in Calculating the EFC

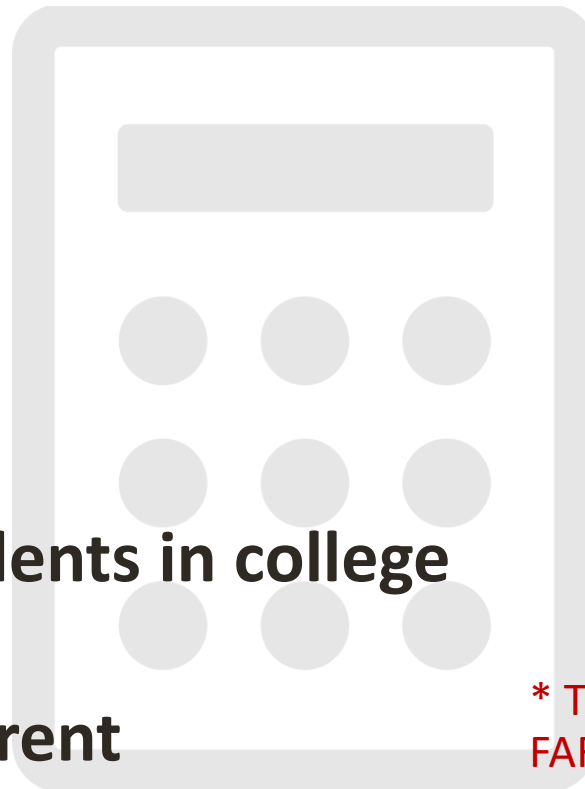
1. Income

2. Assets

3. Household size

4. Number of students in college

5. Age of older parent



Examples of Assets:

- 529 Savings Plan *
- Educational IRA Accounts
- Prepaid Tuition Plan
- Trusts
- Inheritance
- Stocks
- Cash
- Mutual Funds

* These accounts are reported investments on the FAFSA, including all accounts owned by the student and all accounts owned by the parents for any member of the household.

What is Financial Need?

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



Types of Financial Aid

GIFT AID:

- **Scholarships**
 - Merit/Academic
- **Grants**
 - Need-based

SELF HELP AID:

- **Need-based**
 - Federal College Work Study
- **Non-need based**
 - Campus Employment
- **Loans**





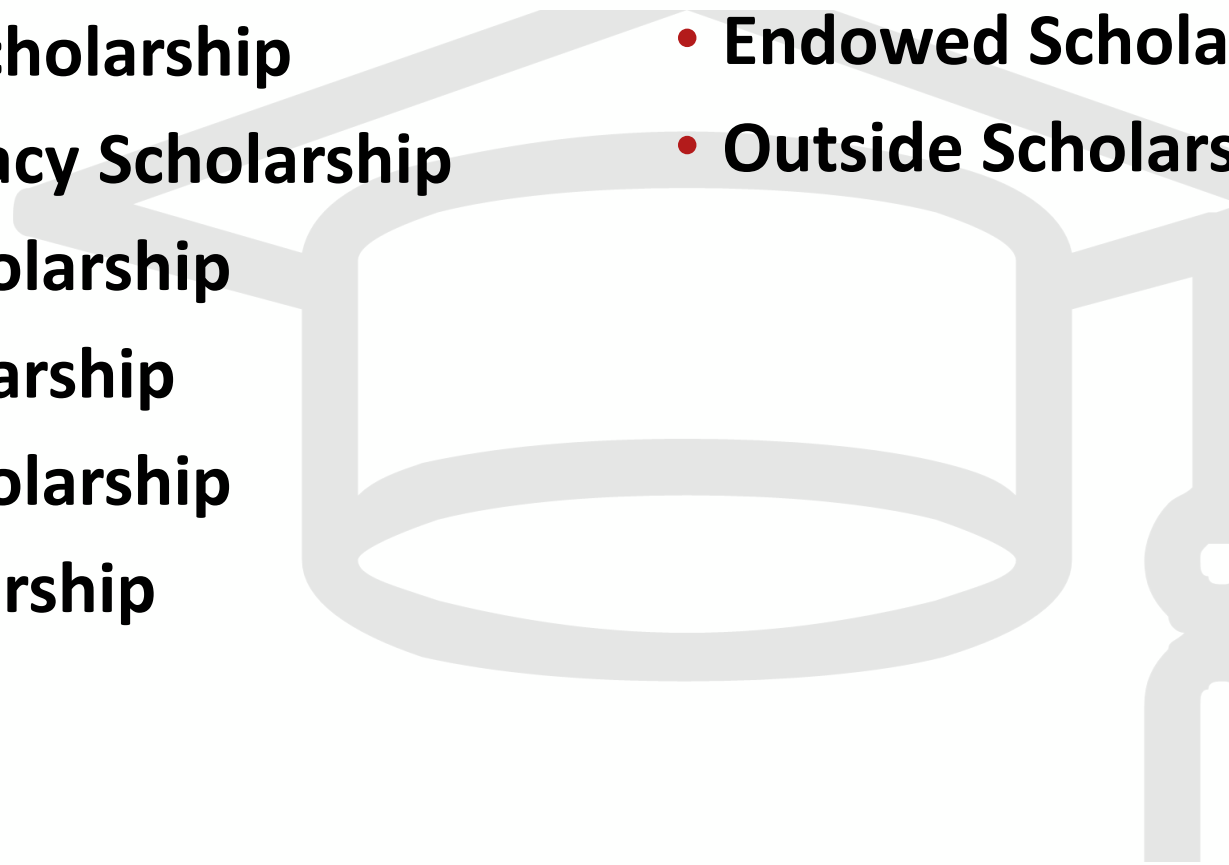
Gift Aid: Scholarships

INSTITUTIONAL:

- Academic Scholarship
- Alumni/Legacy Scholarship
- Athletic Scholarship
- Music Scholarship
- Theatre Scholarship
- ROTC Scholarship

PRIVATE:

- Endowed Scholarships
- Outside Scholarships





Gift Aid: Grants

FEDERAL:

- Federal Pell Grant: \$700 - \$6,895/year
- Supplemental Educational Opportunity Grant (SEOG) \$100-\$4,000/year
- TEACH Grant: up to \$4,000/year (\$16,000 over four years)

STATE:

- Cal Grants

INSTITUTIONAL:

- Need-Based Grant in Aid





CAL GRANTS



- Three kinds of Cal Grants — A, B and C — you don't have to figure out which one to apply for. Your eligibility will be based on FAFSA answers, your verified Cal Grant GPA, the type of California colleges you list on your FAFSA and whether you're a recent high school graduate. To learn more about the qualifications, go to [Calgrants.org](https://calgrants.org).



CAL GRANTS

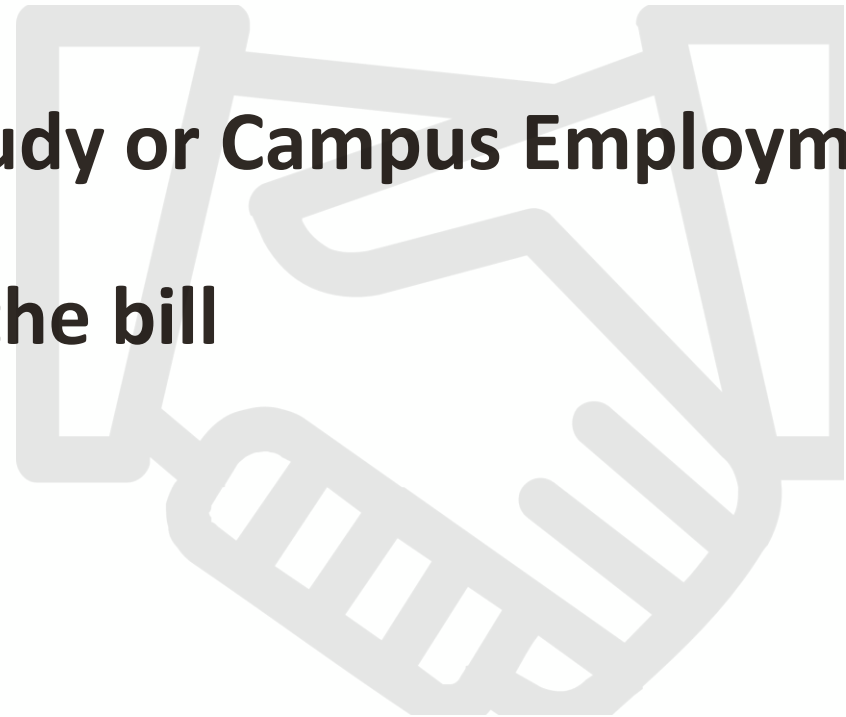


- Cal Grant A Entitlement Awards are for students attending public and private colleges
- Cal Grant B provides cash for books and other living expenses associated with higher education ...
- Cal Grant C assists those students actively pursuing vocational, occupational or certificate programs.
- Cal Grant A Competitive Awards are disbursed to students with GPA of 3.0 or higher ...



Student Employment

- **Allows student to earn money to help pay educational costs and learn “real life” work skills**
- **Awarded as Campus Work Study or Campus Employment**
- **Earnings not applied toward the bill**
- **Student receives a paycheck**





Federal Direct Loans: (Subsidized and Unsubsidized)

SUBSIDIZED DIRECT LOAN:

- **Need-based**
 - Government pays interest earned while in school

**Effective 07/01/22
Fixed interest rate
of 4.99%
(increased from 3.73%)**

UNSUBSIDIZED DIRECT LOAN:

- **Financial need is not a consideration**
- **Interest accrues**
- **Interest payments can be made or deferred**

**Freshman base annual
loan limit \$5,500**



Federal Direct PLUS Loan

- Borrowers are parents of dependent undergraduate students
- FAFSA must be filed receive a Federal PLUS Loan
- Annual loan limit: cost of attendance minus all other financial aid
- Repayment begins 60 days after final disbursement for the year.

**Federal PLUS Loan: Effective
07/01/22**

fixed Interest rate of 7.54%

(Increased from 6.28%)



Private Loans

- **Loan in the student's name**
- **Credit-based**
- **Can borrow up to the cost of attendance minus all other financial aid**
- **Interest rates (fixed or variable), terms, and fees vary with lender**



Monthly Payment Plan

- Convenient alternative to lump-sum, semester payments
- Payments can be made over specified time period
- Annual application fee
- No credit review





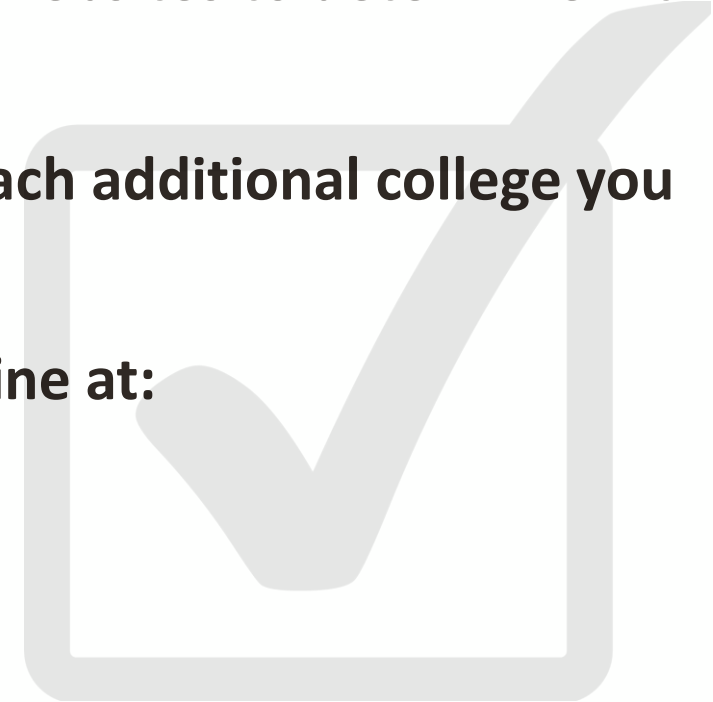
FAFSA Simplification Act

- Changes expected to be implemented in the 2024-25 aid year
- EFC will be replaced by Student Aid Index (SAI)
- Streamlined application
- Number in college will no longer be considered
- Parent reported in divorced/separated families may change

The College Scholarship Service (CSS) Financial Aid PROFILE



- Used by some colleges and universities to award their own institutional financial aid funds. This form is in addition to completing the FAFSA.
- Available October 1, 2022. Review the colleges' websites to determine if the PROFILE is required or for priority filing dates.
- \$25 for the initial application; \$16 charged for each additional college you request.
- Students register and complete the PROFILE online at:
[Student.collegeboard.org/profile](https://student.collegeboard.org/profile)
- PROFILE is not required for federal financial aid



Additional Information Reported on the CSS PROFILE vs. FAFSA



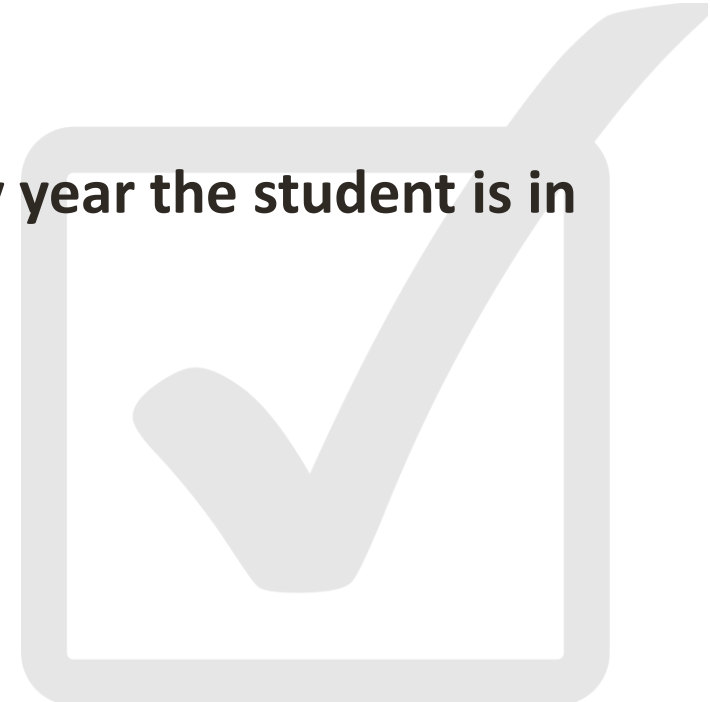
- Home value/mortgage information
- Private school tuition
- Business owner information
- Medical and dental expenses
- Non-custodial parent information
- Outstanding debt





Points to Remember

- Read the FAFSA and PROFILE instructions carefully
- Financial aid and state requirements and deadlines may vary with institutions
- The FAFSA must be completed or renewed every year the student is in college in order to be eligible for financial aid





Online Resources

- Federal Student Aid Downloadable Resources: [Studentaid.ed.gov/sa/resources](https://studentaid.ed.gov/sa/resources)
- FAFSA on the Web: fafsa.ed.gov
- Department of Education Student Information: [Studentaid.ed.gov](https://studentaid.ed.gov)
- Net Price Calculator: A tool used to estimate net cost of a specific institution
- CSS Profile: student.collegeboard.org/profile
- FinAid!: www.finaid.org (Guide to Student Financial Aid)
- Free Scholarship Search: www.studentaid.ed.gov/scholarship

