


FUNDING YOUR EDUCATION WISELY

*Taking a Closer Look at the Various Types of Aid
and the Financial Aid Process*



DISCUSSION TOPICS

- *Financial Aid Overview*
 - ◆ Goal of financial aid
 - ◆ Aid options
- *FAFSA Terminology*
- *FAFSA Overview*
- *The Award Letter*
- *We'll Help*



Financial Aid Overview



Goal of Financial Aid



- *Primary goal is to assist students in paying for college and is achieved by:*
 - ✦ Evaluating the family's ability to pay educational costs
 - ✦ Distributing limited resources in an equitable manner
 - ✦ Providing a balance of gift aid and self-help aid



Grants



➤ *Free Money that doesn't have to be paid back!*

➤ *Federal*

- ✦ **Pell Grant** (Max: \$5,920)
- ✦ **Supplemental Educational Opportunity Grant (SEOG)** (\$100 - \$4K)
- ✦ **TEACH Grant** (\$4K)



➤ *Institutional*

- ✦ **Based on merit or financial need as determined by each college**

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Grants



➤ *State of Indiana*



- ✦ **Frank O'Bannon Grant Program**
 - *Higher Education Award*
 - *Freedom of Choice Award*
- ✦ **Evan Bayh 21st Century Scholars Program**

For additional information on grants available visit in.gov/che



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Credit Completion



- *Students must complete 30 credit hours each year to maintain eligibility for:*
 - ✦ **Evan Bayh 21st Century Scholar Award**
 - ✦ **Frank O'Bannon Award (maximum eligibility)**
- *Complete between 24 to 29 credit hours for reduced Frank O'Bannon Award*
- *Dual Credit & AP Credit goes into a "credit bank"*



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Scholarships



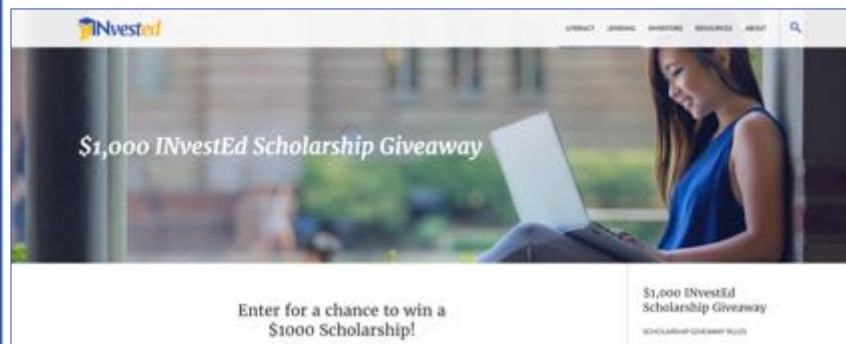
- *Local & Community:*
 - ✦ **Private Businesses**
 - ✦ **Community Foundation**
 - ✦ **Civic Organizations**
 - ✦ **Church Groups**
 - ✦ **Place of Employment**
- *FREE National Search Sites*



Outside scholarships must be reported to the Financial Aid Office so that they may be included in the student's Financial Aid package.

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➤ *Five \$1000 scholarships will be given*

- ✦ Must be 16 or older to enter



Student Employment

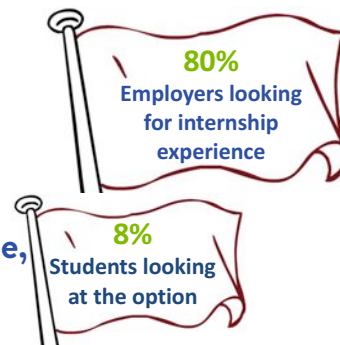


➤ *Benefits*

- ✦ Earn money to pay for college & minimize student loans
- ✦ Job and interview experience
- ✦ Build time management skills

➤ *Internships*

- ✦ Opportunity to gain experience, academic credit and possibly money

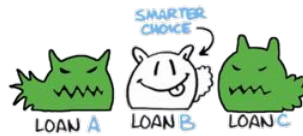


Education Loans



- **Federal Direct Loan** (4.45% + 1.066 Fee)
 - ✦ **Subsidized or Unsubsidized**
- **Federal Perkins Loan** (5% + No Fee)
- **Federal Parent Loan for Undergraduate Students** (7% + 4.264 Fee)
- **Private Loan** (Rates vary + Typically No Fee)

**Remember
Loans MUST Be Repaid!**



(Interest Rate for loans disbursed on or after 7/1/17, Loan Fees for loans disbursed between 10/1/17 – 9/30/18)

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FAFSA Terminology



The Importance of the FAFSA

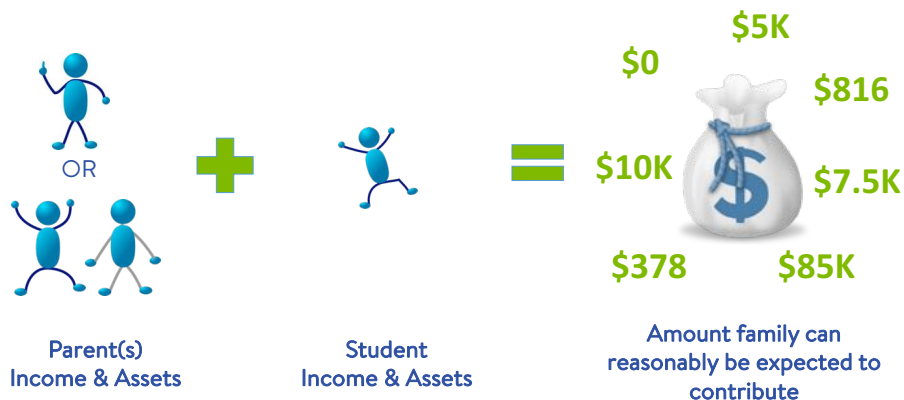
- Free Application for Federal Student Aid
- Annual application for most forms of financial aid
- Basis for determining eligibility for:
 - ✦ **Federal Funds** (Grants, Scholarships, Loans and Work Study)
 - ✦ **State of Indiana** (Grants and Scholarships)
 - ✦ **Potentially Institutional Funds**
- Determines EFC

FAFSA®
Free Application for Federal Student Aid

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What is EFC?

- EFC = Expected Family Contribution



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DC versus COA



- **Direct Costs** – What the student pays directly to the institution (*Tuition, fees and possibly room & board*)
- **Cost of Attendance** – Includes direct costs above + federally required estimates for books/supplies, transportation & living expenses.

Direct Costs

Tuition	10,500
Room & Board	9,700
Total Direct Costs	20,200

Cost of Attendance

Tuition	10,500
Room & Board	9,700
Books & Supplies*	1,200
Transportation*	1,000
Living Expenses*	2,000
Total COA	24,400

* Denotes Estimate

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FAFSA Overview



Help is Available



**INvestEd
is here to help!**

Outreach@INvestEdIndiana.org

or 317-715-9007



FAFSA®

Free Application for Federal Student Aid

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FAFSA.gov



- Available starting October 1st:
- Looks at 2 year prior tax data

HS Graduation Year	FAFSA Year	Academic Year (Attending College Between:)	FAFSA Open Date	Tax Year Data
2017	2017-2018	July 1, 2017 - June 30, 2018	October 1, 2016	2015
2018	2018-2019	July 1, 2018 - June 30, 2019	October 1, 2017	2016
2019	2019-2020	July 1, 2019 - June 30, 2020	October 1, 2018	2017

- Built-in edits to help prevent costly errors
- Skip-logic allows applicant to skip unnecessary questions



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Federal Student Aid (FSA) ID

- *What is a FSA ID?*
 - ✦ Username
 - ✦ Password
- *Confirms your identity*
- *Serves as your electronic signature*
- *How do you get started?*
 - ✦ Go to FAFSA.gov and select the FSA ID icon



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FSA ID

- *Who needs a FSA ID?*
 - ✦ Student
 - ✦ Parent of dependent student
- *Unique email required for each person*



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Getting Started on the FAFSA

➤ Login with either:

- ✦ Student FSA ID
- ✦ Student Name, SSN & DOB

NOTE: Login is always STUDENT information

- Select “Start the 2018–2019 FAFSA”
- Enter Save Key – 4 to 8 character password

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Student Demographics

Student Demographics	School Selection	Dependency Status	Parent Demographics	Financial Information	Sign & Submit	Confirmation
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➤ Student Demographics

- ✦ Basic information on student
- ✦ Selective Service (male only)
- ✦ Grade level for upcoming college year

➤ School Selection

- ✦ Enter & Confirm High School Attended
- ✦ List up to 10 different colleges
 - ✧ Encouraged to list at least 1 Indiana college

STUDENT

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Dependent vs. Independent



Student
Demographics

School
Selection

Dependency
Status

Parent
Demographics

Financial
Information

Sign &
Submit

Confirmation

➤ Dependency Questions

*If all answers are **NO**, parent info required*

- ✦ Born before January 1, 1995
- ✦ Married
- ✦ Serving on active duty or veteran of U.S. Armed Forces
- ✦ Dependents that you support
- ✦ Court determined you are emancipated minor or under legal guardianship
- ✦ Since turning 13 – in foster care, orphan/ward of the court or parents are deceased
- ✦ Designated as homeless or self-supporting and at risk of being homeless
- ✦ Graduate/Professional program student

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Who is the Parent?



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Who is the Parent?



- *Biological or adoptive parent*
- *Whose parent information is included on the FAFSA?*

Marital Status	Whose information needs provided
Married or unmarried and living together	Both Parents
Divorced, separated or never married	The parent the student lived with more during the past 12 months. If that time is even then provide information for the parent that provided more financial support for the past 12 months.
Remarried after widowed or divorced	Parent and step-parent
Widowed	Single parent

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Financial Information



Student Demographics	School Selection	Dependency Status	Parent Demographics	Financial Information	Sign & Submit	Confirmation
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- *Use 2016 tax return*
- *Tax completion options:*
 - ✦ **Already Completed**
 - ✧ *Use IRS Data Retrieval Tool, if eligible*
 - ✧ *Student, parent(s), other dependents*
 - ✦ **Not going to file**
 - ✦ **Will file**

LINK TO IRS

IRS DRT help available at:
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Asset Information



As of today, does the total amount of your parents' current assets exceed \$25,100.00?

☐ Yes ☒ No

Does the total amount of your parents' asset net worth exceed the amount listed?

[< PREVIOUS](#)

Select **Yes** if your parents' current asset net worth exceeds this amount as of today.

Select **No** if your parents' current asset net worth does not exceed this amount as of today.

Asset net worth means current value of the assets minus what is owed on those assets.

Assets include:

- Money in cash, savings, and checking accounts
- Businesses
- Investment farms
- Other investments, such as real estate (other than the home in which your parents live), UGMA and UTMA accounts for which your parents are the owner, stocks, bonds, certificates of deposit, etc.

Assets do not include:

- The home in which your parents live
- UGMA and UTMA accounts for which your parents are the custodian, but not the owner
- The value of life insurance
- Retirement plans (401[k] plans, pension funds, annuities, non-education IRAs, Keogh plans, etc.)

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FAFSA Completed



➤ Sign & Submit

✦ Student & Parent

➤ Confirmation Page

✦ Confirmation number

✦ Transfer parent info if multiple students

✦ Next Steps

2018-2019 Confirmation Page

[PRINT THIS PAGE](#)

Confirmation Number: F 01647314503 11/28/2016 06:17:58
Data Release Number (DRN): 9999

Congratulations, Harvey! Your FAFSA was successfully submitted to Federal Student Aid.



Does your brother or sister need to complete a FAFSA? If so, you can [transfer your parents' information into a new FAFSA](#) for your brother or sister to save time. Your parents will have to provide a signature again, but that's all.



What Happens Next


- In 7-10 business days, we will mail you a Student Aid Report (SAR) notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

School(s) on your FAFSA:

School Name	Graduation Rate	Retention Rate	Transfer Rate	Additional Information from College Navigator
BALL STATE UNIVERSITY	60%	82%	NA	NA
IVY TECH COMMUNITY COLLEGE OF INDIANA	11%	48%	17%	NA
MANCHESTER UNIVERSITY	54%	69%	NA	NA

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Eligibility Information

 **Eligibility Information**

Estimated Expected Family Contribution (EFC) = 001125

The EFC is a measure of how much you can contribute to the cost of your education. Schools use your EFC to determine your federal student aid eligibility.

The EFC is not how much aid you will receive or how much you have to pay for college.

Your parent(s) indicated that they had filed an IRS tax return when they provided their financial information and it appears that they were eligible to use the [IRS Data Retrieval Tool](#), which allows them to view information from their IRS tax return and transfer that information directly into your FAFSA. The benefit of using the tool is that it's the easiest way to provide accurate tax information, and it also eliminates the need for providing a copy of your parents' tax return to the financial aid office at your college. Once your FAFSA has been processed, you can return to *FAFSA on the Web* and your parent(s) can use the tool to transfer their tax information.

Based on the [eligibility criteria](#), you may be eligible for the following:

[Pell Grant](#) Estimate - \$4,765.00

[Direct Stafford Loan](#) Estimate - \$5,500.00

You may also be eligible to receive other federal, state, or institutional grants, scholarships, and/or work-study.

In addition, you should learn about [federal tax benefits for education](#), including the *American Opportunity Tax Credit (AOTC)*.

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FAFSA Processing Results

- **Student Aid Report (SAR)**
 - ✦ Identifies any issues you need to address
- **Make Corrections**
 - ✦ Correct Errors
 - ✦ Add/Remove Colleges
- **View Correction History**
 - ✦ View each transaction & previous SARs

My FAFSA

Welcome, Harvey DemolaName!

2018-2019
2017-2018

Current Application Status: Processed Successfully

Congratulations, your FAFSA was successfully processed.

What Happens Next

- Your FAFSA information was made available to the school(s) you listed on your FAFSA.
- Your school(s) will use your FAFSA information to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or to discuss your financial aid award.
- If you have questions about your financial aid package contact your school(s).

You can also:

- [View or Print your Student Aid Report \(SAR\)](#)
- [Make FAFSA Corrections](#) to make a change, add a school, or transfer IRS data into your FAFSA
- [View Correction History](#) to view corrections made to your FAFSA

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Special Circumstances



- *If a special circumstance occurs make sure to the Financial Aid Office at the college/university you plan to attend*
- *Special Circumstance may include:*
 - ✦ **Change in employment or income status**
 - ✦ **Medical expenses not covered by insurance**
 - ✦ **Change in parent marital status**
 - ✦ **Unusual dependent care expenses**
 - ✦ **Student cannot obtain parent information**

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The Award Letter



Award Letter



- *Each School provides an award letter outlining the following:*
 - ✦ **Cost of Attendance**
 - ✦ **Financial Aid Awards**
 - ✦ **Options for Paying Remaining Balance**
- *Timing and delivery varies by college*
- *What you should do:*
 - ✦ **Review Costs and Awards**
 - ✦ **Clearly Understand Your Obligations**
(Not just for the first year but for the whole program)
 - ✦ **Ask the Financial Aid Office Questions**

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Sample Award Letter



- **Cost**
 - ✦ **Direct Cost vs. Cost of Attendance**
- **Grants & Scholarships**
- **Work Study**
- **Student Loans**
- **Remaining Balance**
 - ✦ **Outside Scholarships**
 - ✦ **PLUS Loan**
 - ✦ **Payment Plan**
 - ✦ **Out of Pocket**
 - ✦ **Private Loan**

INvestEd Sample University 2018-19 Award Letter	
Cost of Attendance	
Tuition & Fees	\$10,400
Room & Board	\$9,800
Direct Cost Subtotal	\$20,200
Books & Supplies	\$1,300
Transportation	\$1,000
Personal/Living Expenses	\$2,100
Total Cost of Attendance	\$24,600
Financial Aid Awards	
Pell Grant	\$3,300
Frank O'Bannon State Grant	\$900
Institutional Scholarship	\$6,000
Grants & Scholarships Subtotal	\$10,200
Federal Work-Study	\$1,500
Direct Subsidized Loan	\$3,500
Direct Unsubsidized Loan	\$2,000
Total Financial Aid	\$17,200
Remaining Balance	\$7,400

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Comparison Tips



- *Federal aid typically the same*
 - ✦ Subsidized & Unsubsidized Loan based on school cost and other aid received.
- *State aid varies based on*
 - ✦ **School Classification:** (Public, Private, Ivy Tech & proprietary)
 - ✦ **Program** (Frank O'Bannon vs. Evan Bayh 21st Century Scholars)
- *Institutional aid varies by college*
- *Review impact of housing options on cost & aid*



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We'll Help



INvestEd on Social Media



➤ Facebook

✦ [Facebook.com/INvestEdIndiana](https://www.facebook.com/INvestEdIndiana)

➤ Twitter

✦ [@INvestEdIndiana](https://twitter.com/INvestEdIndiana)



➤ Others

✦ [Instagram.com/INvestEdIndiana](https://www.instagram.com/INvestEdIndiana)

✦ [Pinterest.com/INvestEdIndiana](https://www.pinterest.com/INvestEdIndiana)

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Connect with us anytime!

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