
Paying for College

— Bodine High School for
International Affairs —

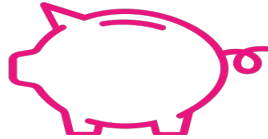
What is Financial Aid?

Financial aid consists of funds provided to students and families to **help** pay for postsecondary educational expenses.



Gift Aid

Grants/Scholarships



Self-Help

Work-Study



Loans

Federal
Student Loans,
PLUS, Private
Loans

FAFSA - Free Application for Federal Student Aid

- A Federal form that collects financial data regarding both the student and parent(s)
- Administered by the U.S. Dept. of Education
- May file beginning on Oct. 1 of senior year
- Colleges' deadlines vary – may be as early as Jan. 1, or earlier for Early Action and Early Decision candidates
- Must apply by the college's deadline, or you risk not receiving institutional aid
- Renew it each year you're in college

How to Apply?

- Apply online at www.fafsa.gov
- Be sure to choose the 2023-2024 form
- Documents you'll need to complete the FAFSA:
 - Social Security numbers
 - 2020 federal income tax return
 - W-2 forms from all employers
 - Current checking and savings statements
 - Current business records, if applicable
 - Records of any stocks, bonds, and other investments
 - Records of any additional untaxed income such as child support and worker's comp.

FSA ID

- Use this to log into your FAFSA
- Serves as a legal signature for signing the FAFSA
- Also needed to apply for PLUS loans and to sign promissory notes for student loans
- To create an FSAID, go to fsaid.ed.gov
- Student and parent each must have a unique email address and phone number for their FSAID

Who should complete the FAFSA?

- The student is the one completing the FAFSA; however, the parent should complete it with him/her/them.
- Emails from the Federal Student Aid Office regarding the FAFSA will be sent to both the student's and parent's email address after it is completed. The student should not use his/her/their school email address, since it will be deactivated in August.
- Both the student and one parent must sign the FAFSA electronically before it can be processed.

Whose financial info goes on the FAFSA?

- If a student's birth parents are married, both parents' financial information must be included, whether or not they live together.
- If a student's parents are not married, but live together, both parents' information must be included.
- If a student's birth parents are not married, only the parent with whom the student lives most of the time provides information. If that parent is re-married, the step-parent must also provide info.
- If the student was adopted, the adoptive parent(s) provides info.
- If the student is an orphan or in legal guardianship, he/she can be classified as independent, and no parent information is required.
- Unless a student can be classified as independent, parent must provide information, or he/she/they won't get aid.
- Foster parents, legal guardians, and anyone else the student is living with: information does not go on the FAFSA

Independent vs. Dependent

- Most students are classified as dependent, which means that parent information must be provided
- The definition of “dependent” in the FAFSA isn’t the same as on your tax return
- Student will be asked a series of questions to determine dependency status – if he/she/they answers yes to any, he/she/they will be considered independent
- Some factors that make a student independent: having a child that lives with him/her/them, being an orphan, having been in foster care after age 13, having a legal guardian other than a parent

Do I need to provide info about assets?

- The FAFSA asks questions about the parent and student's income and assets
- If your income is less than about \$50,000, you don't have to provide info about assets. However, if you don't, you're more likely to get selected for verification and a college may ask for the information, anyway.

What is considered an asset?

Report the current value at time of filing the FAFSA:

- | | | |
|---------------|--------------------------------|--------------------------------|
| ✓ Cash | ✓ Stocks | ✓ Mutual funds |
| ✓ Checking | ✓ Bonds | ✓ 529 Plans – for all children |
| ✓ Savings | ✓ Certificates of deposit (CD) | ✓ Net value of real estate |
| ✓ Investments | ✓ Bitcoin | |

- Farm Value – unless primary place of residence
- Business Value – Unless family owned and employs 100 employees or less

Not reported on FAFSA as an asset:

- Value of primary home
- Value of qualified retirement accounts
- Value of life insurance policies
- Value of personal property

IRS Data Retrieval Tool

- Allows you to access your IRS tax return information and have it transferred directly to the FAFSA
- Helpful to have a copy of your tax return available because data on it and what you enter into the DRT must match exactly
- The following tax filers aren't eligible to use the DRT:
 - Married and filed as Married Filing Separately
 - Married and filed as Head of Household
 - Filed an amended tax return, a Puerto Rican tax return, or a foreign tax return

What types of aid are offered through the FAFSA?

Grants

Employment

Loans

Federal Grants

- Pell Grants
 - Maximum award for 2023-2024 is \$6,895
 - Maximum EFC to be eligible is \$6,206
 - There is a limit of 12 semesters for receiving Pell Grants
- Federal Supplemental Opportunity Grant (FSEOG)
 - Not all campuses offer them
 - Maximum award is \$4,000

State Grants

- Administered by PHEAA (pheaa.org)
- Apply online at the same time you complete the FAFSA
- Maximum grant is \$5,750
- Must be a U.S. Citizen or eligible non-citizen and must have lived in PA for 12 months
- Amount you qualify for depends on both income and cost of attendance at the college you attend
- If you don't attend college in PA, you'll receive significantly less, or in some cases, nothing
- The deadline to apply for the state grant is May 1 or Aug. 1 (community colleges, trade schools)

Complete the PHEAA after the FAFSA

[FAFSA Home](#) | [Exit FAFSA Form](#) | [Help](#)

Congratulations, !

Your FAFSA form was successfully submitted to Federal Student Aid.

Here's what happens next:

- You will receive an email version of this page.
- In 3–5 business days, you will receive an email notifying you that your FAFSA form 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).

An abbreviated version of your confirmation page has been sent to you at the following email address:

[Print This Page](#)

Start your state application to apply for Pennsylvania state-based financial aid.

[Apply Now](#)

We want to hear from you!

[Fill out Our Short Survey](#)

Share with your friends!

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Work Study

- Student employment for students with financial need
- Check off that you're interested on the FAFSA
- Students can earn up to \$4,000 per year, but funds are not credited directly to a student's account
- Jobs are not guaranteed

Federal Loans

- Available to **ALL** students (US citizens and eligible non-citizens) **REGARDLESS** of need
- In student's name, no collateral or credit check, must sign MPN
- No payments required while attending school & six-month grace period
- Flexible Repayment options
- Federal Direct Loans (student)
 - \$3,500 subsidized (govt. pays interest while student is in college)
 - \$2,000 unsubsidized (interest begins accruing as soon as loan is taken out)
 - Interest rate of 4.99%

Private Loans

- From private lenders or financial institutions
- In student's name/co-signers usually required
- Can borrow up to the Cost of Attendance
- Based on credit scores and debt-to-income
- Principal can be deferred while student is in school; Interest will continue to accrue
- Terms vary by lender – compare before making choices

READ THE FINE PRINT

Parent PLUS Loans

- For parents of dependent undergraduate students
- 7.54% variable/fixed interest rate; 4.228% fees
- Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- MUST apply each year
- Principal can be deferred while student is in school; Interest will continue to accrue
- If denied - student is eligible for an additional \$4,000 unsubsidized loan

What if my financial aid information has changed?

- The info you input into the FAFSA is 2 years old, so it's possible things have changed
- Still file the FAFSA as directed
- Contact the financial aid offices of the school(s) you've been accepted to

Adding Colleges on the FAFSA

- You can list up to 10 colleges on the FAFSA
- You should list the one you're most likely to attend first, if possible, since that college will be the one transferred automatically to your state grant application
- Don't wait to be accepted to a college before filing the FAFSA
- You can delete or add other colleges later by making a correction to the FAFSA

Common Errors on the FAFSA

- Make sure you use the correct Social Security numbers for student and parent(s)
- Make sure the name on the FAFSA matches the name on the Social Security card
- Make sure to click “Register Me” if you’re not already registered with Selective Service (for males 18 and older)
- Use the IRS Data Retrieval Tool if possible
- Very few students can be classified as independent
- Be sure to sign electronically with an FSAID

Verification

In many cases, if the IRS Data Retrieval Tool is not used, students are likely to be selected for verification. This means that FAFSA wants to verify that the information put on the application is accurate. When this happens, you will be asked to submit additional documentation and forms to each school you applied to. If you don't do this, you will not be given any federal aid.

After You Submit the FAFSA

- You'll get a confirmation page with a Data Release Number (DRN), which you should record
- You'll get a preliminary determination of your EFC and Pell Grant amount (if any)
- You'll be asked if you want to apply for your state grant at that time – yes
- Within about 48 hours, student will receive email with a link to his/her Student Aid Report (SAR). You should check the SAR immediately to make sure the FAFSA processed successfully and whether you were selected for verification. (There will be an asterisk next to your EFC if you were selected.)

Estimated Family Contribution (EFC)

- The EFC is a number derived from a Federal formula that considers income, assets, and other factors
- In theory, it is the amount a family can reasonably be expected to pay toward college expenses each year, but it is rarely the amount a college expects the students to pay

How is the EFC calculated?

- Primarily income-driven
- Major factors for dependent student:
 - Parental & student - income and assets
 - Family size and number of family members in college
 - Age of older parent

A student's EFC remains the same no matter which school the student attends.

Types of Aid Awarded by Colleges

Merit-based aid

Need-based aid

Merit-Based Aid

- Family's financial circumstances don't matter at all
- Awarded based on academic record or special talent
- Generally will be renewed for same amount all 4 years
- May have to maintain a certain GPA to keep the scholarship
- Most don't require a special application, but some do
- Check each college's financial aid office's homepage for available scholarships and their requirements
- May have to apply for admission by an earlier than usual deadline

Need-Based Aid

- Awarded based on the family's financial situation
- May change each year if the family's situation changes
- Must re-apply every year
- Based on data from the FAFSA, CSS Profile, or both
- May have to fill out institution-specific forms at some schools
- Check the financial aid office's website to find out procedures at that college

CSS Profile

- Primarily used by private colleges
- Requires more data than the FAFSA – e.g., home equity, non-custodial parent data, expenses such as child care
- Use 2020 data to complete it
- Can be started now – will probably have a much earlier due date than the FAFSA
- To complete the Profile, go to www.collegeboard.org
- It costs \$25, plus \$16 per school to submit the Profile. The fee may be waived automatically if your financial situation qualifies you.

Net Price Calculators

What is the Net Price that you will pay?



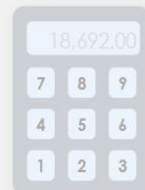
U.S. Department of Education

Net Price Calculator Center



Search for Schools' Calculator

Begin typing to search for schools



What does Net Price mean?

Net Price is the amount that a student pays to attend an institution in a single academic year AFTER subtracting scholarships and grants the student receives. Scholarships and grants are forms of financial aid that a student does not have to pay back.

What is a Net Price Calculator?

Net price calculators are available on a college's or university's website and allow prospective students to enter information about themselves to find out what students like them paid to attend the institution in the previous year, after taking grants and scholarship aid into account.

Net Price Calculators

- Determines an estimated net price at a particular institution.
- **ESTIMATED** data must be provided by each institution: Total price of attendance (Tuition, fees, room/board, misc.)
- Estimated total merit and need-based grant aid
- **May not include scholarships**

How much will I actually pay?

- Cost of Attendance Includes:
 - Tuition and fees
 - Room and board
 - Books and supplies
 - Transportation expenses
 - Miscellaneous personal expenses
- $\text{Cost of Attendance} - \text{Expected Family Contribution (EFC)} = \text{Financial Need}$
- Only a few colleges meet full demonstrated need
- Most colleges leave a gap:
 - Example: COA is \$40,000, the EFC is \$2,000, but the total financial aid package is only \$25,000. So, there's a \$13,000 gap. (Keep in mind that \$5,500 of this financial aid package is already loans so must be paid back)
- In that case, the family must come up with the difference in cash or additional loans.

Comparing Aid Award Letters

- The critical number is the Actual Cost. That's how much you're having to come up with in cash and/or loans. This number is more relevant than the cost of attendance.
- The package letters you'll receive won't always be clear. Be sure that you understand the true bottom line for each school. Sometimes colleges mislead you by making it seem like they're giving you a package that covers the entire COA, when, in reality, they're requiring you to take out an enormous PLUS loan.
- We're happy to help if you share copies of your letters with us
- Use this:
https://philadelphiafutures.org/wp-content/uploads/2020/10/SUTC_Workbook_Page48_CollegeCostCalculator.pdf

2016-2017
FINANCIAL AID AWARD NOTIFICATION

March 17, 2016

ID:

Sample Aid Award

Dear _____,

Congratulations on being admitted to Merrimack! We are pleased to present you with your 2016-2017 financial aid award. Your award has been calculated based upon the information you provided on your Free Application for Federal Student Aid and on the expected cost of attendance and estimated family contribution for the upcoming academic year.

Source	Fall	Spring	Total
Merrimack Scholarship	\$7,500	\$7,500	\$15,000
Merrimack College Grant	\$2,600	\$2,600	\$5,200
Mass State Grant	\$850	\$850	\$1,700
Federal PELL Grant	\$2,908	\$2,907	\$5,815
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
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Total	\$16,608	\$16,607	\$33,215

In addition, Merrimack administers both **federal work study** and the **Merrimack work** student employment programs. Average earnings are approximately \$1,500 per academic year. These have not been included in your award, but more information about them is available online at www.merrimack.edu/aid.

Expected 2016-2017 Direct Costs

Tuition and Comprehensive Fee	\$38,825
Room and Board	\$14,345

2016-2017 Direct Costs	\$53,170

Less Total Grants, Scholarships, and Loans	\$33,215

2016-2017 Net Direct Costs	\$19,955

Options to pay or finance the 2016-2017 net direct costs (eg: Expected Family Contribution and/or other family resources, payment plans, PLUS loans, and alternative loans), along with information about your above awards and our financial aid policies, can be found online in our Financial Aid Guide: at www.merrimack.edu/finaidguide.

Please note that scholarships and grants offered by Merrimack are funded in part by generous donations from alumni and friends of the College. If your Merrimack aid is funded by a donor, we will notify you of the source of this funding during the academic year.

ACCEPT BY: May 1, 2016

The Financial Aid Office is pleased to provide this official offer of financial assistance for the 2016-2017 academic year. Our entire staff looks forward to assisting you during your enrollment at Pace University. To accept or decline these awards, please log into your Pace Portal. A step by step guide entitled "How to Accept Financial Aid on MyPace Portal" is enclosed.

Gift Aid (Scholarships and Grants).

Award Description	Fall 2016	Spring 2017	Total
Pace Incentive Award	11,000.00	11,000.00	\$22,000.00
Pace Grant - New	3,500.00	3,500.00	\$7,000.00
Federal Pell Grant	2,908.00	2,907.00	\$5,815.00
Total Gift Aid	\$17,408.00	\$17,407.00	\$34,815.00

You are eligible for these Other Aid Programs (Loans and Work Study) to assist in covering your Out of Pocket Costs:

Award Description	Fall 2016	Spring 2017	Total
Direct Sub Stafford Loan	1,750.00	1,750.00	\$3,500.00
Direct Unsub Stafford Loan	1,000.00	1,000.00	\$2,000.00
Direct PLUS (Parent) Loan	10,675.00	10,675.00	\$21,350.00
Total Loans and Work Assistance	\$13,425.00	\$13,425.00	\$26,850.00

To help you understand how these awards will assist you in paying for your education, please consider the following information. Your Cost of Attendance (COA) consists of the following Direct and Indirect expenses and is based on your status as a Resident student. (Note that costs may be estimated or averaged.)

Direct Expenses (paid directly to Pace):		Indirect Expenses (estimated personal expenses):	
Tuition:	41,120.00	Books and Supplies:	800.00
Fees:	1,902.00	Transportation:	600.00
Room:	12,016.00	Personal Expenses:	1,628.00
Board (Meal Plan):	3,000.00	Living Allowance:	
Total Direct Expenses:	\$58,638.00	Total Indirect Expenses:	\$3,028.00
		Total Cost of Attendance	\$61,666.00

Your Out of Pocket Cost (Cost of Attendance minus (-) total Gift Aid) is \$26,851.00 for the 2016-2017 Academic year. This offer is based on your Expected Family Contribution (EFC) of 0. Your expected enrollment is 12 or more credits per semester. Additional information, including Estimated Cost of Attendance for additional years can be found at: <http://www.pace.edu/financial-aid/sites/pace.edu/financial-aid/files/Interim-NY-State-FA-Award-Info-Sheet.pdf>.

What if it's not enough?

- You can appeal the award. This may or may not result in an adjustment. It's more likely to work if you have an unusual circumstance to report.
- PLUS loans or private loans
- Unfortunately, in some cases, you may have to choose a different college
- **Don't wait until the last minute to figure out the finances**

Outside Scholarships

- The counselors post scholarships on Google Classroom regularly
- Have a scholarship essay ready
- If you need a transcript or letter of recommendation for the scholarship, let your counselor know and we will send them for you

After You've Chosen Your College

- You'll have to go to www.studentloans.gov to complete your entrance counseling and sign your Master Promissory Note if you're taking out loans
- If you need a PLUS loan, you can apply for that at this same website

Be Wary of the 5-Year Plan

- If you take longer than 4 years to finish college, because you drop or fail classes, change your major, etc., it can have significant financial implications:
 - The total cost of your degree is increased by at least 25%
 - Some institutional aid may be limited to 4 years
 - PA State Grant eligibility is limited to 4 years
 - There are maximum limits for federal borrowing, which may be exhausted
 - The lifetime eligibility for Pell Grants expires after 6 years

Final Thoughts

- Don't wait too long
- Have open conversations with your family members about how much you can afford towards college tuition
- Check your email regularly

Helpful Links

- [FAFSA](#)
- [Create an FSA ID](#)
- [PHEAA](#)
- [CSS Profile](#)
- [Entrance Counseling / Master Promissory Note](#)
- [Scholarship Database](#)
- [Net Price Calculators](#)
- [Test Optional List](#)
- [Bodine Counselor Corner](#)
- [College Rep Visit Schedule](#)
- [Cost Comparison Worksheet](#)
- [Philly Goes 2 College](#)

Thank you for coming!

Any questions?

Please don't hesitate to reach out to a counselor!

Angelique Gravely - agravely@philasd.org

Stephanie Tedesco - stedesco@philasd.org