

Understanding Financial Aid and the FAFSA

U.S. Department of Education
Office of Federal Student Aid

Presented by

Fred Stennis, Senior Outreach Advisor

Today's Topics

- Mission and Myths
- Federal Financial Aid Programs
- The FAFSA: When and How to Apply
- What to Expect After Applying
- Federal Updates
- Federal Student Aid (FSA) Resources
- Scenarios
- Questions

Federal Student Aid's Mission

- To ensure that all eligible individuals benefit from federal financial assistance, grants, work-study, and loans for education beyond high school

Myths About Financial Aid

- “...my parents make too much money, so I won’t qualify for aid.”
- **Reality:** There is no income cutoff to qualify for federal student aid.

Myths About Financial Aid

- “...the form is too hard to fill out.”
- **Reality:** The FAFSA is easier than ever, especially if you fill it out online at www.fafsa.gov

Financial Aid 101

Federal Financial Aid Programs

Federal Financial Aid Programs

1. Federal Grants
2. Federal Work-Study
3. Federal Student Loans

There is more than **\$150 billion** each year available in Federal aid to help students pay for college

Federal Pell Grant

The Federal Pell Grant Program provides need-based grants to low-income undergraduate students.

Grant amounts depend on the student's:

- Expected Family Contribution (EFC)
- Enrollment status (full or part-time)
- Attendance status (full academic year or less)
- Pell Grant maximum award per academic year:
\$5,550 (2012-2013)

Federal Aid Update

- Pell Grant maintained maximum at \$5,550 for 12-13
- EFC to qualify for Pell reduced from 5273 in 2011-2012 to 4995 in 2012-2013;
- Income to qualify for Automatic Zero EFC reduced to from \$32,000 to \$24,000
- Students can receive Pell for 12 semesters;
- Maximum Pell estimated to go to 5,635 for 13-14 in President's Budget.

FSEOG

The Federal Supplemental Educational Opportunity Grant (FSEOG) Program provides need-based grants to low-income undergraduate students.

Grant recipients must be:

- Pell Grant-eligible
- Current award amounts are from \$100 - \$4,000
- Not all colleges participate in the FSEOG program

and funds depend on availability at the college

TEACH Grant

The Teacher Education Assistance for College and Higher Education Grant Program (TEACH) provides assistance to students who intend to teach in a public or private elementary or secondary school that serves students from low-income families.

Grant recipients must be:

- Enrolled in an institution that participates in the TEACH Grant Program
- Enrolled in coursework that is necessary to being a career in teaching
- Able to demonstrate certain academic achievements

TEACH Grant (Cont'd)

The Teach Grant:

- Is not based on financial need
- Is available to both undergraduate and graduate students
- Provides the following maximum award
\$4,000 (2012-2013)

TEACH Grant recipients must sign an **'Agreement to Serve'** which states that the student will:

- Teach at least four years in a public or private elementary or secondary school
- Teach full-time in a high-need field
- Teach in a school that serves students from low-income families
- If the teaching obligation is not completed, the TEACH Grant **must be repaid** as a Direct Unsubsidized Stafford Loan

Iraq/Afghanistan Service Grant

Students whose parent or guardian died as a result of military service in Iraq or Afghanistan after September 11, 2001, may be eligible for additional Title IV aid.

Additional Student Eligibility Requirements:

- Less than 24 years old
- Enrolled in college at least part-time at the time of the parent's or guardian's death

Federal Financial Aid

Work-Study

Provides part-time jobs for **undergraduate** and **graduate students** with financial need, allowing them to earn money to help pay education expenses

- Eligible employers (On-campus or off-campus employment)
 - Schools
 - Federal, state or local public agency
 - Private nonprofit organization
 - Community service activities
- Students are paid at least federal minimum wage
- Not all colleges participate in the Federal Work-study program and funding depends on availability at the college

Federal Perkins Loans

Federal Perkins Loan

- Your college is the lender
- Payment is owed to the college that made the loan
- Interest charged on this loan is 5%
- Funds depend on financial need and availability at the college
- Not all colleges participate in the Federal Perkins Loan program
- Undergraduate students – up to \$5,500 a year
- Graduate and professional degree students – up to \$8,000

Stafford Direct Loans

Subsidized Loans

- Government **PAYS** the borrowers accrued interest while you are attending college and other eligible periods
- **Based on Financial Need**
- Fixed Rate
- Undergraduate and graduate students qualify
- Amount: **\$3,500-\$8,000**

Unsubsidized Loans

- The borrower is responsible for the interest for the life of the loan
- **NOT Based on Financial Need**
- Fixed Rate
- Undergraduate and graduate students qualify
- Amount: **\$5,500-\$20,500**

Federal Aid Update

Direct Student Loan Changes

- Subsidized Stafford loans for graduate students eliminated for 2012-2013
- Direct Subsidized Loans are not eligible for an interest subsidy during the six-month grace period on new loans between July 1, 2012 and June 30, 2014
- Interest rate on Subsidized Stafford Loan for undergraduates set to increase from 3.4% to 6.8% on July 1, 2013.

Direct Plus Loans

PLUS loans originate through the William D. Ford Federal Direct Loan Program (Direct Loans).

Loan characteristics:

- For parents of dependent students
- Borrowers may receive loan amounts up to, but not exceeding the college's 'Cost of Attendance'
- Borrower is responsible for all the interest
- Borrower must not have a negative credit history

Federal Loan Programs

	Interest Rate	Repayment	Additional Info
Federal Perkins Loan	5% Fixed	9 months after school	
Federal Stafford/ Direct Loan	Subsidized 3.4% Fixed Unsubsidized 6.8% Fixed	6 months after school	Subsidized: no interest charged while in school Unsubsidized: interest accrues while in school
Federal Parent PLUS Loan	7.9% Fixed Direct Lending Schools	May be deferred until 6 months student drop ½ time or 60 days after loan is fully disbursed	Interest accrues while student is in school

Financial Aid 101

The FAFSA: When and How to apply

What You Need to Know

- **Free Application for Federal Student Aid (FAFSA)**
- Eligibility is determined by info provided
- Must file every year in college
- Can file Jan. 1st of your senior year
- PIN (Parent/Student)
- The earlier the **BETTER!!**

FAFSA.gov Homepage

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of
the AMERICAN MIND™

FAFSA™
Free Application for Federal Student Aid

Home About Us PIN Site Student Aid on the Web Help

English Español

Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)



New to the FAFSA?

Start A New
FAFSA

Returning User?

- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

Login

Deadlines

Information about your deadlines.

School Code Search

Find your college's school code. Also find detailed information about your college.

FAFSA Filing Options

Learn about the other options for filing your FAFSA.

Announcements

- FAFSA on the Web will be unavailable due to necessary maintenance activities on Sunday, Nov. 4 from 1:00 a.m. to 11:00 a.m. ET.
- Use the [IRS Data Retrieval Tool](#) to update your FAFSA with IRS tax return information.

Thinking About College?



Use *FAFSA4caster* to see how federal student aid can help you pay for college!

FAFSA Statistics

FAFSAs Processed

2011-2012: Applications 21.9 million (Jan. 2011- Jul. 2012)

2012: Applications:19.7 million (Jan. 2012- Nov. 25, 2012)

Average FAFSA Submission Time

2011-2012: 22 Minutes

2012-2013: 23 Minutes

IRS Data Retrieval Tool

2011-2012: 5,198,417 users

2012-2013 7,699,421 users

(As of November 25, 2012)

Basic Eligibility Requirements/Documentation

Students must have:

- High school diploma, GED or home schooling credential
- Social Security Number (with limited exceptions)
- U.S. citizenship or be an eligible noncitizen
- Registered with the Selective Service (males)

Students also need to:

- Be enrolled or accepted for enrollment in an eligible program
- Be pursuing a degree, certificate or credential
- Maintain 'Satisfactory Academic Progress'

IRS Data Retrieval Tool

- IRS Data Retrieval Tool is Available
- Transfer Tax Information directly into FAFSA
- Takes 2-3 weeks for information to become available in Retrieval Tool Database
- Easiest way to provide tax information
- Availability of IRS Retrieval Tool in 2013:
February 3, 2013

Enhanced IRS DRT Questions

- The format of the IRS Data Retrieval Tool filtering question will be enhanced
- Question labels will be improved for clarity

Student Tax Information

For 2012, have you completed your IRS income tax return or another tax return?
Already completed ▾

 You may be able to use the [IRS Data Retrieval Tool](#) to view and transfer your tax information from the IRS.

Did you file an amended tax return?
 Yes No

Did you file a Puerto Rican or foreign tax return?
 Yes No

Did you file your taxes electronically in the last 3 weeks (or by mail in the last 8 weeks)?
 Yes No

Based on your response, we recommend that you transfer your information from the IRS into this FAFSA.

Enter your PIN and click [Link To IRS](#).

What is your PIN?
 [I Forgot/Don't Know My PIN](#)

[LINK TO IRS](#)

New Messaging for Estimators

- Instructional text will display for applicants who indicate they “Will file” their taxes

Student Financial Information



You indicated you "Will file" a 2012 tax return.

If your 2012 income is similar to your 2011 income, use your 2011 tax return to provide estimates for questions about your income. If your income is not similar, click **Income Estimator** for assistance estimating your adjusted gross income, and answer the remaining questions about your income to the best of your ability.

You should return to update the estimates you provided with your 2012 tax return information once you file. At that time, you may be eligible to use the [IRS Data Retrieval Tool](#) to transfer your tax return information into the FAFSA.

Dependency Status

- If any of the following criteria applies, the student is considered independent :
 - ✓ 24 years or older
 - ✓ Married
 - ✓ Master's or Doctorate Program
 - ✓ Children and you provide $\frac{1}{2}$ support
 - ✓ In foster care since turning 13
 - ✓ Emancipated minor
 - ✓ Currently or was in legal guardianship
 - ✓ Homeless
 - ✓ Serving Active Duty in U.S. Armed Force

Special Circumstances

- Parents are Incarcerated
- Left Home due to an Abusive Family Environment
- Unsure of parents whereabouts
- Circumstances Must be Well Documented
- Financial Aid Director Has Final Say...

Financial Aid 101

What to Expect After Applying

What To Expect

High Level Overview

Student completes the FAFSA and signs with FSA PIN

FAFSA is processed by FSA; Student receives a SAR; College receives information if listed on the FAFSA

College reviews info and assembles award package for the student

Student reviews award package; compares to other award letters; student determines which college to attend

College Costs and Financial Need

Cost of Attendance

- Tuition & Fees
- Room & Board
- Books & Supplies
- Equipment & Transportation
- Miscellaneous Personal Expenses
- Child Care

$$\begin{array}{r} \text{Parent Contribution} \\ + \text{ Student Contribution} \\ \hline = \text{Expected Family} \\ \text{Contribution (EFC)} \end{array}$$

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

How Much Aid will I Receive?

Financial Need = \$13,000

Scholarships	\$2,000
Institutional Grant	\$2,000
Federal Grants	\$5,000
State Grants	\$2,000
Loans	\$2,000 - Unmet need

TOTAL = \$13,000

Estimated

FAFSA College Info and Comparison

- College's website
- School type
- Tuition and fees
- Net price average
- Graduation rates
- Retention rates
- Transfer rates

Compare School Information

The following information is a subset of data that has been obtained from the *College Navigator* Web site, developed by the National Center for Education Statistics. Complete information for each college can be accessed by visiting <http://nces.ed.gov/collegenavigator/>.

School Name:	COLUMBIA COLLEGE	DEPAUL UNIVERSITY	WESTWOOD COLLEGE - O'HARE AIRPORT
Address:	600 S MICHIGAN AVE	1 EAST JACKSON	8501 WEST HIGGINS ROAD
City:	CHICAGO	CHICAGO	CHICAGO
Federal School Code:	001665	001671	016368
Web site:	www.colum.edu	www.depaul.edu	www.westwood.edu
School Type:	Private not-for-profit- 4-year or above	Private not-for-profit- 4-year or above	Private for-profit- 4-year or above
Tuition and Fees:			
In-State	\$20,644	\$30,618	\$14,923
Out-of-State	\$20,644	\$30,618	\$14,923
Net Price Average:	NA	NA	NA
Graduation Rate:	41%	68%	29%
Retention Rate:	66%	87%	28%
Transfer Rate	NA	13%	NA

- The information provided above is updated quarterly and may not reflect recent changes.
- If you are attending a branch campus, the information provided here may be for the main campus. *College Navigator* may have more specific information.
- The amounts for tuition and fees apply to full-time first-time degree/certificate-seeking students.
- Net Price Average** is the average yearly price charged to full-time, first-time undergraduate students receiving student aid at an institution of higher education after deducting any grant and scholarship aid received. Average Net Price provides students and families with an idea of how much a first-time, full-time undergraduate student who receives grant/scholarship aid pays to attend a particular institution after subtracting out that grant/scholarship aid.
- Graduation rate** is the percentage of a school's first-time, first-year undergraduate students who complete their program within 150% of the published time for the program.
- Retention rate** is the percentage of a school's first-time, first-year undergraduate students who continue at that school the next year.
- Transfer rate** is the percentage of a school's first-time, first-year undergraduate students who transfer to another college within 150% of the published time for the program.
- NA indicates that information is not available from *College Navigator*.

CLOSE
PRINT THIS PAGE

Financial Aid 101

FSA Resources

StudentAid.gov Homepage

ABOUT US ENGLISH|ESPAÑOL

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of
the AMERICAN MIND™

Search studentaid.gov



Prepare for College

Types of Aid

Who Gets Aid

FAFSA: Apply for Aid

Repay Your Loans

Minds can achieve anything. We make sure they get to college.

At Federal Student Aid, we make it easier to get money for higher education.



Learn about exploring careers, choosing and applying to schools, and taking required tests. Use checklists to help get ready.



Read about the types of financial aid available from the government and other sources: grants, scholarships, loans, and work-study.



Most people are eligible for financial aid. Find out who gets aid, how to stay eligible, and how to get eligibility back if you've lost it.



Learn how to submit your Free Application for Federal Student Aid (FAFSA), how aid is calculated, and how you'll get your aid.



Choose a repayment plan, pay on time, avoid default, and get help with problems.

ANNOUNCEMENTS

RECENT CHANGES TO THE STUDENT AID PROGRAMS

DISASTER ASSISTANCE

Prepare for College

Explore Careers

Career Search

Checklists to Get Ready

Choosing a School

Types of Aid

Grants and Scholarships

Loans

Work-Study Jobs

Aid for Military Families

Who Gets Aid

Basic Eligibility Criteria

Non-U.S. Citizens

Staying Eligible

Regaining Eligibility

FAFSA: Apply For Aid

Estimate Your Aid

Filling Out the FAFSA

Dependency Status

Federal Student Aid PIN

Repay Your Loans

Making a Payment

Repayment Plans

Income-Based Repayment

Loan Consolidation

More Info

About Us

Contact Us

Leave Us Feedback

Glossary

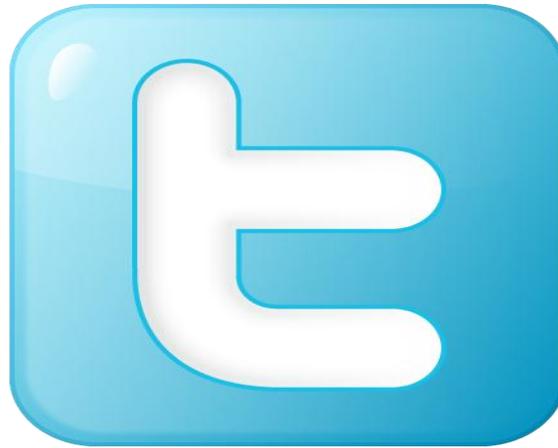
Connect With Us!



FACEBOOK

Federal Student Aid

www.facebook.com/FederalStudentAid



TWITTER

@FAFSA

www.twitter.com/FAFSA



YOUTUBE

Federal Student Aid

www.youtube.com/FederalStudentAid

Facebook

facebook

Search for people, places and things



Susan Thares

Voice

Home

You are posting, commenting, and liking as Federal Student Aid — Change to Susan Thares



Federal Student Aid

Timeline

Now

Highlights

Admin Panel

+ Create A Page



Federal Student Aid

PROUD SPONSOR OF THE AMERICAN MIND.

Federal Student Aid

16,833 likes · 506 talking about this · 22 were here

Liked



Government Organization

The official Facebook page of the U.S. Department of Education's office of Federal Student Aid. For more information, visit www.StudentAid.gov.

About

Photos



Twitter



YouTube



Events

Highlights

Status Photo / Video Event, Milestone +

Write something...



Federal Student Aid shared a link via Spredfast. 3 hours ago

Have you seen our Twitter app here on our Facebook page? We tweet valuable information about the financial aid process several times every day. Follow us at @FAFSA or, if you don't have a Twitter account, use the app at the top of the page. <http://on.fb.me/S04eFf>

Federal Student Aid | Twitter

43 Friends

Connected to Federal Student Aid

42 friends like this.



+33

1 friend was here.



See Your Ad Here

Recent Posts by Others on Federal Student Aid

See All

Federal Student Aid

The official Facebook page of

Twitter Homepage @FAFSA

Federal Student Aid @FAFSA
Official account of Federal Student Aid, an office of the U.S. Dept. of Education. We provide grants, loans & work-study funds for college & career school.
Washington, DC · <http://StudentAid.gov>

Follow
923 TWEETS
21 FOLLOWING
7,319 FOLLOWERS

Follow Federal Student Aid

Full name
Email
Password
Sign up

Tweets All / No replies

Federal Student Aid @FAFSA 3h
Grace period: time after you graduate, leave school, or drop below half-time status before you begin repayment on loans [_studentaid.ed.gov/repay-loans/un](http://studentaid.ed.gov/repay-loans/un).....
Expand

Federal Student Aid @FAFSA 6h
Avoid default! Keep track of all of your federal student loans from the U.S. Department of Education here [_nslds.ed.gov/nslds_SA/](http://nslds.ed.gov/nslds_SA/)
Expand

Federal Student Aid @FAFSA 21h
It's never too early to start the road to college! This checklist has tips for elementary school students & parents: [_studentaid.ed.gov/prepare-for-co](http://studentaid.ed.gov/prepare-for-co).....
Expand

Federal Student Aid @FAFSA 13 Aug
If you or a family member is a member of the armed forces, you may qualify for certain grants & loan repayment options [_studentaid.ed.gov/military](http://studentaid.ed.gov/military)
Expand

Tweets >
Following >
Followers >
Favorites >
Lists >
Recent images >

YouTube



Browse | Movies | Upload



Sign In

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of
the AMERICAN MIND™

visit StudentAid.gov



Prepare for College

Types of Aid

Who Gets Aid

FAFSA: Apply for Aid

Repay Your Loans

Professional Resources

MINDS
CAN
ACHIEVE
ANYTHING.



SO WE
MAKE
SURE THEY
GET TO
COLLEGE

Federal Student Aid [Subscribe](#) 573 subscribers 41,574 video views

Featured Feed Videos Search Channel

Share More info

0:00 / 1:48

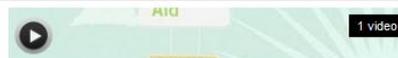
Overview of the Financial Aid Process 7,199 views
by FederalStudentAid 1 month ago

Featured Playlists

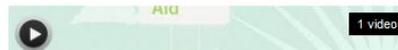
Prepare for College



Types of Aid



Who Gets Aid



About Federal Student Aid

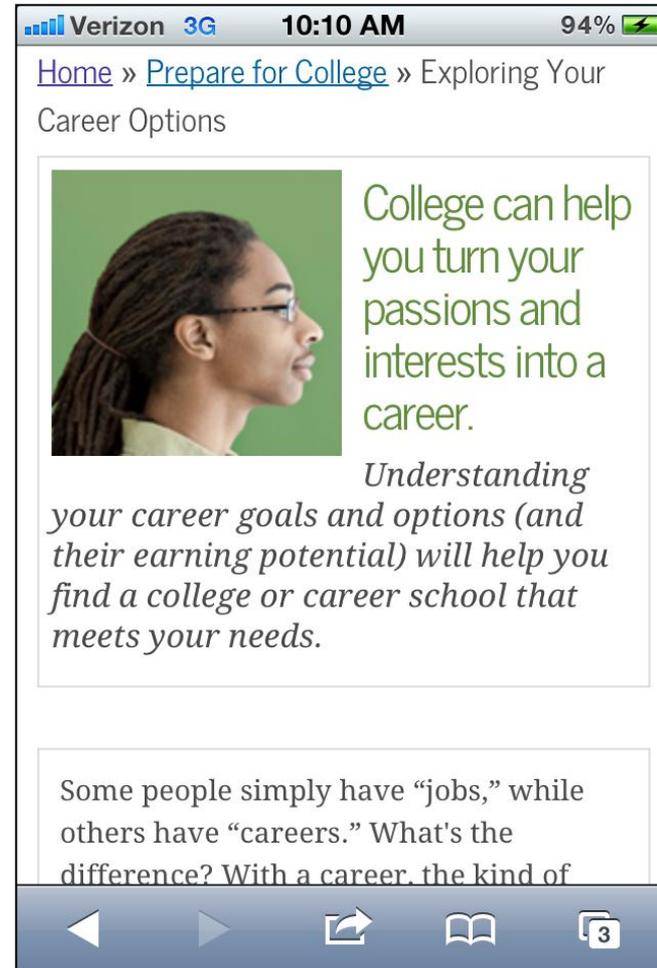
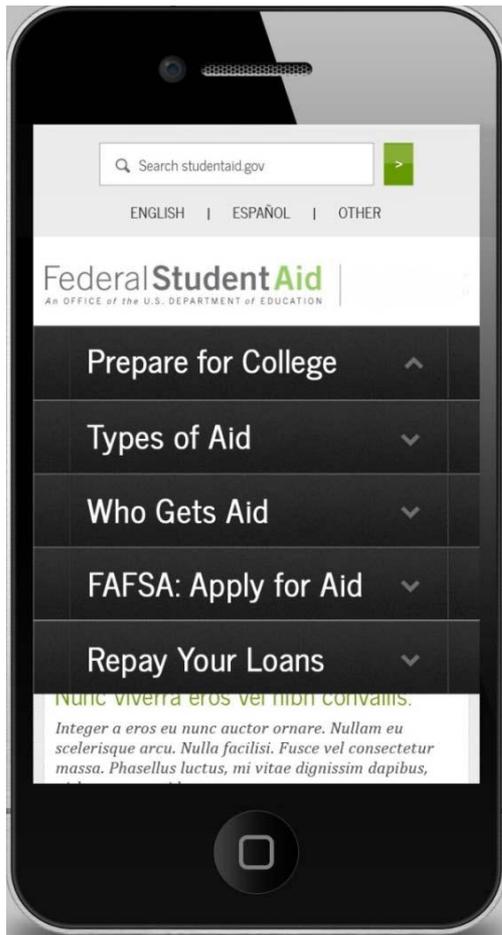
Federal Student Aid, an Office of the U.S. Dept. of Education, helps make a college education possible for every dedicated mind by providing more than \$150 billion each year in grants, loans, & work-study funds. For more info, visit StudentAid.gov.

- Facebook
- Twitter
- Storify
- StudentAid.gov

by FederalStudentAid

Latest Activity	Jul 20, 2012
Date Joined	Jan 25, 2007
Location	Washington, DC
Country	United States

Mobile-Optimized



Infographics/Videos

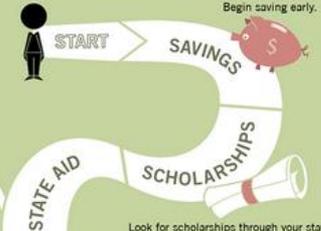


THE FINANCIAL AID PROCESS

Finding financial aid can seem overwhelming when you're trying to get ready for college or career school. The U.S. Department of Education's office of Federal Student Aid is here to help you get the money you need to pay for your education.

PREPARATION

Scholarships and state aid can help cover the cost of college or career school, but you may find yourself in need of federal assistance.



Many states have college funding programs. Ask a guidance counselor or your college financial aid office for more information.

It's time to apply for financial aid.

FAFSA

The FAFSA is the Free Application for Federal Student Aid and is the only way to apply for federal student aid. The schools you list on your application will use FAFSA information to evaluate your financial need and determine how much federal aid you are eligible to receive. Many states and colleges also use information from your FAFSA to provide their own financial aid.

Each January, the FAFSA is available for the upcoming school year. It is best to fill it out as early as you can because some aid is first come, first served.

When you complete the FAFSA, you'll need to provide personal and tax information. If you've filed your taxes already, you may be able to automatically retrieve the information from the IRS. If you haven't, just estimate your tax information and update it later.



After you submit your FAFSA, you'll receive your Student Aid Report (SAR). Your SAR summarizes the information in your FAFSA. Review it and make corrections if needed.

Your FAFSA helps your school determine the types of federal student aid you are eligible to receive.

TYPES OF FEDERAL STUDENT AID

As the largest provider of financial aid, the U.S. Department of Education's office of Federal Student Aid provides grants, loans, and work-study funds.



AWARD

Your award letter explains the combination of federal grants, loans, and work-study a college is offering.



Counselor Resources: www.fsa4counselors.ed.gov

[Home](#) [About Us](#) [Survey](#) [FAQs](#) [Site Map](#) [Contact Us](#) [Help](#)

Search

[Advanced Search](#)

[Answering Students' Questions](#)

[FAFSA Information](#)

[Getting the Word Out](#)

[Counselor Resources](#)

[Federal Financial Aid Programs](#)

[State Agencies](#)

[Scholarships](#)

[Related Links](#)

[+ Bookmark this page](#)

Federal Student Aid Information for Counselors

Welcome to your online source of federal student aid information to help students and parents plan and prepare for college, career and trade school.

Answering Students' Questions



[Eligibility](#)

[Calculators and Tools](#)

FAFSA Information



[Application](#)

[Updates](#)

Getting the Word Out



[Planning a Financial Aid Night](#)
[Promotional Materials](#)

Counselor Resources



[Counselors and Mentors Handbook](#)

[Free Publications and Mailing List](#)

[Staying Connected](#)

National Training for Counselors and Mentors



What's New

[Launch of StudentAid.gov and Social Media Tools](#)

[New Loan Debt Management Tool](#)

[FAFSA Completion Data Tool](#)

[Changes to Aid Programs](#)

[@FAFSA is on Twitter!](#)

[In Other News...](#)

Calendar of Events

Federal Student Aid staff participate in conferences, college fairs, and other events that may interest you, your students, and their parents. Click below for information.

[Student/Parent Events](#)

[Counselor/Mentor Events](#)

PROUD SPONSOR of
the AMERICAN MIND™



**START HERE
GO FURTHER
FEDERAL STUDENT AID™**

FSAPubs.gov Publication Ordering

Home
Login
Publications
Contact Us

Note: To view the Adobe Portable Document Format (PDF) files, you must download [Adobe Reader](#).

Tools and Resources

Direct Loan

The source for all other U.S. Department of Education publications.

Information for Counselors and Mentors.

Contact information for postsecondary institutions.

Technical references available for download.

Federal Student Aid for Students

Welcome

At the office of Federal Student Aid we ensure that all eligible individuals can benefit from federally funded financial assistance for education or training beyond high school.

This order site gives you access to a wide range of publications and resources for you or the students you serve.

Take a look at our NEWEST materials:

- [Do You Need Money for College?- Federal Student Aid at a Glance 2012-13](#)
- [Federal Student Aid for Adult Students](#)



Latest News

- [Errata and Updates to *Funding Your Education: The Guide to Federal Student Aid*](#)
- [November 2011 Letter to Financial Aid Administrators](#)
- [September 2011 Letter to Financial Aid Administrators](#)
- [Update on Master Promissory Notes](#)

Order Now!

2012-13 Publications Available for Ordering/Preorder including:

FSAIC

The Federal Student Aid Information Center (FSAIC) operates a toll-free hotline to provide:

- Information about federal student aid programs;
- Help completing the FAFSA
- Information about the process of determining financial need and awarding aid
- **For those not eligible, State and/or Institutional Aid may be available**

➤ **1-800-4-FED-AID (1-800-433-3243)**

➤ www.StudentAid.gov (new website)

➤ www.fafsa.ed.gov

➤ www.fsa4counselors.ed.gov

Hours: Monday – Friday: 8:00am – Midnight ET

Saturday: 9:00am – 6:00pm ET

Sunday: Closed

Financial Aid 101

Questions??