



Understanding Financial Aid

Kathie Hill and Dave Sutherland
Financial Aid Office
Fond du Lac Tribal and Community College

History of Financial Aid



- Financial Aid has its origins right after WWII to train returning soldiers for jobs
- Financial Aid as we know it today began with the Higher Education Act of 1965
- It was based on the tenet that the family has the primary responsibility to pay for college. That tenet is still in place today.



Goal of Financial Aid

- To assist students in paying for college tuition costs and living expenses

Role of the Financial Aid Office

- Inform families about the financial aid process and help them apply
- Determine financial aid eligibility
- Provide an Award Letter listing the financial aid programs and amounts the student is eligible for





General Eligibility Requirements

- Must be admitted in a degree, diploma, or certificate program that is financial aid eligible
- Must be a U.S. citizen or eligible non-citizen
- Must be registered with Selective Service (males age 18-25)
- Must have a valid Social Security Number

Application Process (part 1)

- Complete Free Application for Student Federal Aid (FAFSA) online at www.fafsa.gov
 - Apply for an FSA ID (electronic signature to sign FAFSA online)
 - Independent students: Student needs an FSA ID
 - Dependent students: Both parent and student need an FSA ID
 - Use the IRS Data Retrieval to electronically add your tax information to your FAFSA
 - FDLTCC's school code is **031291**
- Note: If you prefer to submit a paper FAFSA, one can be printed from www.fafsa.gov

Application Process (part 2)

- The FAFSA results will be sent electronically to all of the schools you listed on the FAFSA
- Each school will review your FAFSA to see if the U.S. Department of Education (ED) is requiring you to submit any information, or if there are eligibility questions they need you to answer. They will email and/or mail you a request for this information



College of St. Scholastica



UNIVERSITY OF MINNESOTA DULUTH
Driven to Discover™

Application Process (part 3)

After you have completed, signed, and returned all required documentation to the Financial Aid Office, the information you list on the FAFSA is put into a mathematical formula, and the result is called the EFC (Expected Family Contribution). The EFC is used to determine eligibility for all Federal and MN State financial aid programs.



Application Process (part 4)

Using the EFC, the Financial Aid Office will calculate your eligibility for all of the Federal and MN State Financial Aid Programs and list the results on an Award Letter. The Financial Aid Office will mail and/or email you about your Award Letter and eligibility.



Application Process (part 5)

- Contact the School's Financial Aid and Scholarship Offices for information about their scholarships
- Search and apply for scholarships, tribal funding, and other sources of outside funding



Calculating Financial Aid Eligibility

Cost of Attendance (COA for one year)

- Expected Family Contribution (EFC)

= Need (Financial Need)



Cost of Attendance

- Tuition and fees
- Room and board
- Books and supplies, equipment, transportation, and miscellaneous personal expenses
- Computer purchase or lease
- Loan fees
- Study abroad costs
- Dependent care expenses
- Expenses related to a disability
- Expenses for cooperative education program



* Will be different for every school

Expected Family Contribution (EFC) For Dependent Student



- Parent Income
- Student Income
- Untaxed Income
- Exclusions
- Assets
- Family Size
- Number Attending College

Expected Family Contribution (EFC) For Independent Student



- Student Income
- Untaxed Income
- Exclusions
- Assets
- Family Size
- Number Attending College

Need Varies Based on Cost



Principles of “Need Analysis”

- Students and parents have the primary responsibility to pay for their education. Financial aid is a supplement to their income.
- The calculation should reflect the families’ ability to pay during the school year. That is why recent Federal Tax and income information is used.
- Financial Aid Directors can exercise “Professional Judgement” to take into account special circumstances that may affect the families’ ability to pay such as a decrease in income, out-of-pocket health care costs, natural disaster, one-time incomes, rollovers, and more.



Types of Financial Aid

- Gift Aid (financial aid that does not require repayment)
 - Federal Pell Grant
 - FSEOG
 - MN State Grants
 - Private Grants and Scholarships
- Self Help Aid (funding earned through work or must be paid back)
 - Work Study
 - Federal Student Loans
 - Private (Alternative) Loans

Federal Pell Grant Program

- Award amount based on
 - Cost of Attendance
 - Expected Family Contribution (EFC)
 - Enrollment status (number of credits)
- “Gift” aid that does not have to be paid back



Federal Supplemental Education Opportunity Grant (FSEOG)

- A limited amount is given to schools
- For undergraduates pursuing first undergraduate degree or certificate
- Awarded to students who receive the Federal Pell Grant
- “Gift” aid that does not have to be paid back

Minnesota State Programs

- MN State Grant
 - MN Post Secondary Child Care Grant
 - MN State Work Study Program
 - MN GI Bill
 - SELF Loan (Student Education Loan Fund)
-
- Eligibility requirements include, but not limited to:
 - Minnesota Residency
 - Demonstrate financial need
 - For more information go to <http://www.ohe.state.mn.us>



Reciprocity

- Receive tuition close to or same as resident tuition rate
- Must apply online through your home state's website
- Wisconsin
- North Dakota
- South Dakota

Scholarship Resources

- Potential employer/corporate scholarships
- Local library resources
- Local businesses and civic organizations
- Parents' places of employment
- Internet Scholarship Searches



www.fastweb.com

www.collegenet.com/mach25/

- Tribal Scholarships (Contact your Tribal Scholarship Office regarding their application process)



Work Study

- Undergraduate or graduate students are eligible
- Employment on or off campus (most are on-campus)

Federal Direct Loan - Subsidized and Unsubsidized

- Subsidized (Sub):
 - Intended for lower income families (based on “need”)
 - ED pays the interest on this loan while student is in college taking 6 or more credits
- Unsubsidized (Unsub):
 - Student is responsible for interest while in school
 - Student can pay interest while in school or let it grow
- Total federal loan eligibility = these two loans combined (sub + unsub = total federal loan eligibility for year)

Cost of Borrowing Federal Direct Loans

Congress sets the interest rate, adjusting it each year by indexing it against the T-Bill. The interest rate for 2016-2017 is 3.76%.



Other Loan options

- PLUS Loan (Parent Loan for Undergraduate Student). A loan that a parent who provided information on the FAFSA may take out, but must pass a credit review
- “PLUS denial”. If a parent does not pass the credit review, the student’s Unsubsidized Loan eligibility increases by \$4000 for the year.
- SELF Loan (Student Education Loan Fund). A loan is through the State of Minnesota
- Private (Alternative) Loans.

Federal Tax Benefits for Higher Education

- Hope Scholarship Tax Credit
- Lifetime Learning Credit
- Student Loan Interest Deduction
- Employer Paid Tuition Assistance
- Deduction for Qualified Higher Education Expenses
- For more information, check with your tax advisor



Helpful Web Sites

- Scholarship Searches
 - www.fastweb.com
 - www.collegenet.com.mach25.app
 - www.finaid.org
 - www.collegeboard.com/paying
- General financial aid information and EFC estimator
 - www.studentaid.ed.gov
 - www.ohe.state.mn.us
- Education and Career Choice Information
 - www.petersons.com
 - www.mapping-your-future.org
 - www.mncareers.org
- U.S. Department of Education (ED)
 - www.ed.gov



Questions?

- Contact the Financial Aid Office:
 - Kathie Hill
(218) 879-0780
kathie@fdltcc.edu
 - Dave Sutherland
(218) 879-0816
dsutherland@fdltcc.edu
 - Long Distance: (800) 657-3712
 - FAX: (218) 879-0814

