

# Financing your Post High School Education

Hosted by: Nanci Regehr

Financial Aid Director, Rio Salado College



# Where does it begin?

Completing the application process!

University

Community College

Vocational Trade School



# What is Financial Aid?

Aid can come from many resources:

- Scholarships
- Grants
- Federal Work Study
- Student Loans
- Parent Loans
- Veterans Educational Benefits



## Scholarships – Where do I look?

- Career Center Websites
- University, Community College, and Vocational Trade School Financial Aid websites
- Pay close attention to deadlines
- Parents employment
- Community

# What is the FAFSA?

## Free Application for Federal Student Aid

- Required application for Federal Student Aid and many Scholarships.
- Get PIN at [www.pin.ed.gov](http://www.pin.ed.gov)
- Online application at [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- You should apply, even if you think you may not qualify. Catastrophic financial hardship can happen unexpectedly!

# FAFSA continued

## What Goes On The FAFSA?



The screenshot shows the FAFSA website homepage. At the top, it says "Federal Student Aid" and "PROUD SPONSOR of the AMERICAN MIND™". Below that, it says "Free Application for Federal Student Aid". There is a navigation bar with icons for Home, About Us, PIN Site, Student Aid on the Web, and Help. A search bar is also present. The main heading is "Get help paying for college" with the subtext "Submit a Free Application for Federal Student Aid (FAFSA)". Below this is a banner image of diverse students. At the bottom, there are two columns: "New to the FAFSA?" with a "Start A New FAFSA" button, and "Returning User?" with a list of options (Make a correction, Add a school, View your Student Aid Report (SAR), and more...) and a "Login" button.

- **Student and parents 2014 Federal Income Tax information for the 2015-2016 award year**
- **University, Community College and Vocational Trade school code (s)**
- **Social Security Number (This is why it is so important students include social security number on their admissions application. The numbers must match up!)**
- **Household information**

# FAFSA Application Process

- Student and parent enter income and household information
- An *EFC* (Expected Family Contribution) is generated to determine how much the financial aid you qualify for based on the following factors:
  1. Cost of living per state
  2. How many people in the household
  3. How many are in college
  4. How much you paid in taxes
  5. How much income was earned
- The US Department of Education sends a *SAR* (Student Aid Report) to you via email and electronically sends information to you in 1-3 days
- The school (s) you applied to will also receive your *SAR* report within 7 – 10 business days. This report show you your *EFC*.
- School sends Financial Aid award notification to you
- The student responds to school requests (not to the Federal Government)

# IRS Data Retrieval Tool (DRT)

- This tool allows applicants to completed their FAFSA with:
  - Less time spent
  - More accuracy
- The DRT is, at times, not an option or at least pulls inaccurate information
  - Filed single and now married
  - Filed married and now divorced or separated



# Ordering a Tax Transcript

- Online Request at [www.irs.gov](http://www.irs.gov)
  - Go to online services and select “Order a Tax Return or Account Transcript”
  - The tax filers SSN, DOB, street address, and zip code will need to be provided and matched
  - If successfully linked, tax filers can expect a paper transcript at the address of their original return in 5-10 business days
- Telephone Request by calling 1-800-908-9946
- Paper Request- IRS Form 4506T-EZ
- Visit your local IRS Office

# Common FAFSA Mistakes

- **Leaving fields blank** –enter a '0' or 'not applicable' instead of leaving a blank. Too many blanks may cause miscalculations and an application rejection.
- **Using commas or decimal points in numeric fields**–always round to the nearest dollar (example 34000 and not 34,000)
- **Listing incorrect Social Security Number or Driver's license number**–check these entries and have someone else check them too. Triple check to be sure.
- **Entering the wrong federal income tax paid amount**–obtain your federal income tax paid amount from your income tax return forms. If you or your parents have not filed your income tax for the 2014 year you can estimate based on your 2014 W-2.
- **Listing Adjusted Gross Income as equal to total income**–these are not the same figure. In most cases, the AGI is different than the total income.
- **Listing marital status incorrectly**–only write yes if you're currently married. They want to know what you're marital status is on the day you sign the FAFSA.
- **Selecting the correct Aid Year** – make sure you select the school year you will begin your post high school education (not the current school year).

## Common FAFSA Mistakes Continued

- **Leaving the question about drug-related offenses blank**—If you're unsure about something, find out before you submit your FAFSA instead of leaving it blank. A conviction doesn't necessarily disqualify you from getting aid.
- **Forgetting to list the college**—obtain the Federal School Code for the college you plan on attending and list it—along with any other schools to which you've applied.
- **Forgetting to sign and date**—if you're filling out the paper FAFSA, be sure to sign it. If you're filing electronically, be sure to obtain your PIN from [www.pin.gov](http://www.pin.gov) Your PIN is your electronic signature and will always be assigned to you only.
- *http://www.fasfa.com/* **wrong website** (a fee will be charged for utilizing their form)
- **correct website.** <http://www.fafsa.ed.gov/> is free!
- **Forgetting to include your parents signature** When signing electronically - many students forget to have their parents sign electronically too.
- **Forgetting to check your on line student college account** to see if additional information is required from you and or your parents.
- **Forgetting to check the box** that you will be living on campus.

## Common FAFSA Mistakes Continued

- **Forgetting to check that you** would like to be considered for work study.
- **Sending in an IRS Tax Transcript**—you will be contacted by your college(s) if your information needs verification; you don't need to send a this information with your application.
- **Listing parent marital status incorrectly**—the custodial parent's marital status is needed; if they've remarried, you'll need to include the stepparent's (financial) information too.
- **Custodial Parent** is the parent you reside with. If parents are divorced or have filed for legal separation and do not live together, you will list the income for only one parent following the guidelines of the FAFSA.
- **Correcting your FAFSA** – follow-up with the institutions (colleges) to make sure they received your updated information.
- **Entering in the wrong High School Information.**

## Grants

The criteria is predominately financial need-based

### Types

- Pell (Max Pell Grant **\$5,730/year** for 2015)
- Institutional and Other Federal Grants

**Grants are gifts – they do not have to be repaid)**

How are need-based Grants Awarded?

**By completing the FAFSA!**

# Loans

- Money students and parents borrow to help pay college expenses
- Repayment usually begins 6 months after education is finished
- Federal Direct Subsidized, Unsubsidized, and PLUS
- Perkins and Private

# Loans Continued

- Only Borrow what is really needed (half of the amount that you request will be given each semester)
- Look at loans as an investment in your future
- Effective July 1, 2013 there will be subsidized loan limits for new borrowers.
- Keep in mind there are aggregate limits

# How is Financial Aid determined?

(COA) Cost of Attendance - *EFC* = Need

**COA \$19,000**

**which includes:**

Tuition/Fees

Room/Board

Books

Personal

Transportation

**Example:**

COA \$19,000

- **EFC \$6,000**

**\*Need \$13,000**

\*Most schools will try to meet your **Need** with a combination of scholarship, grants, loans and work study. (The example above are estimated costs associated with an in-state university. An in-state community college will cost much less.)



## **What actions are needed once students have been awarded their financial aid?**

- **Only the Federal Pell Grant will be accepted for the student by the college. Typically, all other grants and scholarships will need to be accepted by the student. In most cases, this acceptance will take place online. Check your schools student portal website frequently.**
- **Students will have to accept the dollar amount of loans they wish to receive online.**
- **To finalize loans, a Master Promissory Note and loan counseling must be completed. Again, this is typically also done on line.**

# What else do I need to know?

- You must re-apply every year for financial aid.
- Make the number of corrections minimal!
- Start the FAFSA as early as January 1<sup>st</sup>.
- Check out this web site for the questions asked on the FAFSA:

<http://www.fafsa.ed.gov/index.htm>



Questions?