



Financing A College Education

2023-2024

Financial Aid, Scholarships,
and more

Topics in Presentation

- Goal of Financial Aid
- FAFSA
- Description of Financial Aid Programs
- Timelines
- Payment options
- Other Benefits to Consider
- Resources



Goal of Financial Aid

- Goal of Financial Aid: Assist students by evaluating family's ability to pay for education, distribute limited resources in an equitable manner for an academic year.
- FAFSA 2023-2024 (Free Application For Federal Student Aid) is the key.
- FAFSA calculates SAI (Student Aid Index) and determines financial need
- Apply annually

FAFSA

Available online at

Website: <https://studentaid.gov> > FAFSA form
after **October 1, 2022**



Definition of Need

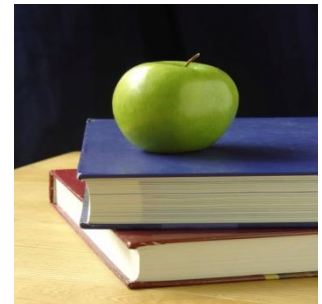
Cost of Attendance (COA)
- Student Aid Index (SAI)
= Financial Need/Eligibility

- * College Net Price Calculator on college website OR
- * Estimated SAI calculator at www.ohe.state.mn.us



Cost Of Attendance

- Tuition and Fees
- Room and Board
- Books and Supplies
- Transportation and miscellaneous personal expenses/computer, etc.
- Loan Fees
- Study Abroad Costs



FAFSA: Seven Components

1. Student Demographic Information

* Need SSN, Drivers License, 2021 federal tax returns, real time asset information

2. School Selection

* List up to 10 different schools



FAFSA: Continued...

3. **Dependency Status**

- Born before Jan 1, 2000
- Graduate or professional student
- Student is Married/Separated
- Has legal dependents other than spouse that receive more than 50% financial support from student
- Orphan/ward of the court/emancipated minor/legal guardianship/homeless
- Veteran of or currently serving on active duty in US Armed Forces
- Determined to be independent by FA office

FAFSA: Continued...

4. Parent Information

- Parent(s) name, date of birth, social security number
- Marital Status
 - Married – If biological/adoptive parents married, report information for both parents on FAFSA
 - Unmarried, but living together - If biological/adoptive parents are not married, but living together, regardless of gender, report information for both parents on FAFSA
 - Divorced/Separated – If biological/adoptive parents are divorced/separated, provide information for parent:
 - Student lived with the most in last 12 months
 - Or, if lived equal periods with each parent, parent who provided the most financial support in last year or most recent year support provided
- Number in family/college

*If parent remarried, include step parent information.



FAFSA: Continued...

5. Financial Information

- Use parent & student 2021 federal tax return and real time asset information
- IRS Data Retrieval Tool – real time tax information transfer to FAFSA from IRS
 - Optional, but recommended
 - Increased security/confidentiality, encrypted tax information
 - Able to manually adjust IRA rollovers/pension distributions to remove from calculation
- Assets: student, parent

FAFSA Continued

Investments

Must report:

529 College savings plans

Trust Funds

Money markets

CD's

Real Estate (lake home, rental property, etc.)

Mutual Funds

UGMA/UTMA accounts

Stocks & Stock Options

Coverdell savings accounts

Do not report:

Home you live in

Retirement plans

Business you own with 100 or less FT employees

Value of life insurance

Family Farm



FAFSA: Continued . . .

6. Sign & Submit

- Apply for FSA ID (create username and password)
- <https://studentaid.gov/fsa-id/create-account/launch> (today)
- Need a FSA ID for a parent **AND** for the student
- FSA ID is used for:
 - signing FAFSA
 - make FAFSA corrections
 - signing federal loans
 - look up student loan history



FAFSA: Continued . . .

7. Confirmation

- Student Aid Report (SAR) review/make corrections. Available at www.studentaid.gov
- Verification selection
- Renew FAFSA each year
- Special Circumstances
 - employment changes/loss of job
 - medical expenses
 - parent enrolled in college, etc.

The screenshot shows the FAFSA.gov Electronic Student Aid Report (SAR) page. At the top, it says "Federal Student Aid" and "FAFSA.gov". Below that, it says "OFFICE of the U.S. DEPARTMENT of EDUCATION". The page is titled "21-2022 Electronic Student Aid Report (SAR)". It contains a table with the following information:

Application Receipt Date:	10/01/2020	XXX-XX-XXXX DE 03
Processed Date:	10/01/2020	EFC: 3157.1
		DRN: 4424

Below the table, there is a section titled "Information About Your Information" which includes a link to "Learn about federal tax benefits for education, including the American Opportunity Tax Credit (AOTC)".

There is a paragraph stating: "Based on the information we have on record for you, your EFC is 3157. You may be eligible to receive a Federal Pell Grant and other federal student aid. Your school will use your EFC to determine your financial aid eligibility for federal grants, loans, and work-study, and possible funding from your state and school."

There is a paragraph stating: "Your FAFSA has been selected for a review process called verification. Your school has the authority to request copies of certain financial documents from you and your parent(s)."

There is a paragraph stating: "There is a limit to the total amount of Federal Pell Grants that a student may receive, which is the equivalent of 6 school years. Based on information reported to the National Student Loan Data System (NSLDS) by the schools you have attended, you have received Pell Grants for the equivalent of between one-half and one school year."

There is a paragraph stating: "There is a limit to the total amount of subsidized Federal student loans that you may receive. Visit <https://studentaid.gov> and select Types of Aid/Loans for more information."

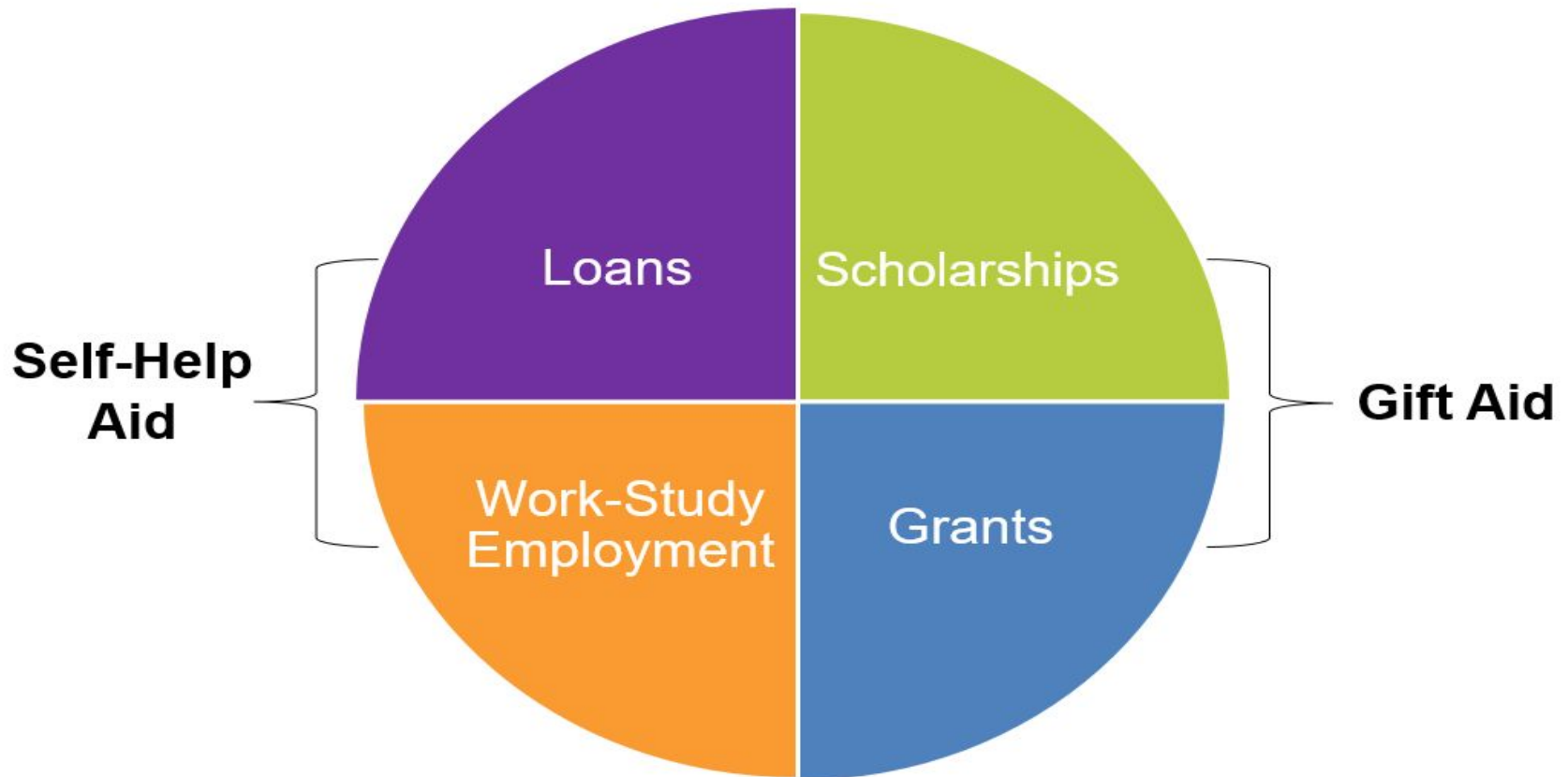
There is a section titled "WHAT YOU MUST DO NOW (Use the checklist below to make sure that all of your issues are resolved.)"

There is a paragraph stating: "If you need to make corrections to your information, click 'Make FAFSA Corrections' on the 'My FAFSA' page using your FSA ID. If you need additional help with your SAR, contact your school's financial aid office or click the 'Help' icon on the FAFSA home page. If your mailing address or e-mail address changes, you can make the correction online."

There is a paragraph stating: "Based on your EFC of 3157, you may be eligible to receive a Federal Pell Grant of up to \$3,195 for the 2021-2022 school year provided you have not met or exceeded the lifetime limit established for the Federal Pell Grant program."

What is Financial Aid?

Types of Financial Aid



Gift Aid

- Grants

- Institutional/College

- State

- **Minnesota State Grant:** \$100 - \$13,762*
 - More MN grants/scholarships at ohe.state.mn.us

- Federal

- **PELL Grant:** max award = \$6895*
 - **SEOG:** awards range between \$100 - \$4000*
 - **Iraq & Afghanistan Service Grant** : not to exceed COA
 - **TEACH Grant:** \$4000* for students majoring in education, designated areas of teaching, turn into loan if do not teach after college.

*Based on 2022-2023 award amounts.



Gift Aid

- Scholarships
 - Institutional/College Scholarships
 - School/Local/Civic/Community Scholarships
 - National Scholarships
 - Search the Web ~ Fastweb.com
 - Parent/Student place of employment

*Deadlines - winter/spring of senior year



Scams

- Never pay for scholarship or scholarship applications
- Fin Aid Seminars/Consultants: must sign fafsa
- **DO NOT USE!!!** www.fafsa.com OR fafsa-application.com
**Never pay to complete the FAFSA, it's free!
- Contact a financial aid or guidance office for advice if you're uncertain.



Self-Help Aid

- Loans
 - Federal Direct Loan Program:
 - * subsidized: 4.99%, no interest accrual (2022-2023)
 - * unsubsidized: 4.99%, accrues interest (2022-2023)
 - \$5500 sub & unsub combination (first-year)
 - \$6500 sophomore
 - \$7500 junior
 - \$7500 senior
- SELF Loan: 4.5% variable or 6.35% fixed
- Alternative/Private Loan: 1.79% - 14.75%, variable & fixed options available, credit-based
- Federal Direct PLUS Loan: 7.54% fixed rate, credit-based (2022-2023)

Self-Help Aid

- Student Employment/Work Study
 - Funding Sources
 - Federal
 - State
 - Institution
 - Guaranteed?
 - On versus Off Campus



Timeline

- * Apply and be admitted to colleges/universities - NOW
- * Research and apply for scholarships - NOW
- * Complete your FAFSA after October 1, 2022
(*** Use the IRS DRT to transfer your 2021 tax information)
- * FAFSA processing will take about 2 days then able to review SAR and results available to schools you listed with in 10-14 days.
- * Check with each school to determine financial aid deadlines and if additional forms are needed for a complete financial aid file.
- * Compare Award Offers – “apples to apples”



Payment Plans

- Installment plans
- Semester plan
- Others ~ check with schools to which you are applying.



Other Benefits to Consider

- American Opportunity Tax Credit
- Lifetime Learning Tax Credit
- Student Loan Interest Deduction
- Employer-Paid Tuition Assistance
- Military Service Education Benefits ohe.state.mn.us
- Tuition Reciprocity ohe.state.mn.us - public
 - WI, ND, SD, Manitoba, IA Lakes CC
- Midwest Student Exchange Program – limited public & private
 - (IL, IN, KS, MO, NE) ohe.state.mn.us

*** Always check with your tax preparer!*

Popular Web Sites

- studentaid.gov
- studentaid.gov/fsa-id/create-account/launch
- studentaid.gov
- ohe.state.mn.us
- fastweb.com
- finaid.org
- collegeboard.org
- goingmerry.com

FAFSA

FSA ID website

US Dept of Ed Financial Aid Info

State of MN/Scholarships/VA

Scholarship Search

Financial Aid Info/Scholarship

PROFILE app & Scholarships

Scholarship search

Questions?

- How to contact me:

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