

DREW

An Introduction to Financial Aid

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We deliver full-impact learning.

What We Will Discuss

- Applying for Financial Aid
 - FAFSA
 - How, Where, When
 - CSS Profile
 - Institutional Application
- Financial Need – How is it determined?
- Types of Financial Aid
 - Scholarships
 - Grants
 - Loans
 - Work Study
- Questions and Answers

Applying for Financial Aid

FAFSA-Free Application for Federal Student Aid

Application developed by the US Department of Education that is required for all students applying for federal grants and loans as well as most state grants and need-based financial aid from individual colleges

The FAFSA must be completed every year.

Completing the 2017-2018 FAFSA

You will need:

- FSA User ID
- Social Security Number for student and parent(s)
- Student's driver's license (if they have one)
- 2015 W-2 Forms and any other records of earnings for student and parent(s)
- 2015 Federal Income Tax Return for student and parent(s)
- Record of all 2015 untaxed income received
- Current bank statements for student and parent(s)
- Current net value of all investments and real estate (do not include designated retirement funds or the primary residence)
- Current net value of business (if any – do not include a family owned business or farm that employs fewer than 100 people)

FSA User ID

The student and at least one parent must apply for an FSA User ID to sign and submit the FAFSA.

- Go to <https://studentaid.ed.gov/fsaid>
- Click the link below:

If you want to create an FSA ID now, go for it!

Create an FSA ID Now

If you'd like more information first, keep on reading...

- The FSA ID will also be used to update the FAFSA, reapply each year, and complete federal student loan documents.

Completing the FAFSA

Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND® | FAFSA®
An OFFICE of the U.S. DEPARTMENT of EDUCATION | Free Application for Federal Student Aid

Home | About Us | FSA ID | StudentAid.gov | Help | | SEARCH | 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

Completing the FAFSA

- The FAFSA uses skip logic and will only ask questions relative to your individual situation
- Up to 10 schools can be selected to receive your FAFSA information
- Be sure the FAFSA is signed by the student and parent using their FSA IDs – failure to submit both signature will result in a rejected FAFSA
- Changes can be made after the initial application
- Verification
- IRS Data Transfer (DRT) process

Completing the FAFSA

When must the FAFSA be completed?

- For 2017-2018, the FAFSA was available beginning October 1, 2016.
- Individual schools have specific deadlines for their process. Drew, for example, has a priority deadline of February 15. Consult the schools the student is considering for their deadlines.

Completing the FAFSA

Dependency determination

- There is a series of questions the student answers to determine whether or not they are considered a dependent or independent student for financial aid purposes.
- If a student is determined to be dependent, then parent information must be included and considered when determining eligibility for financial aid.
- Refusal of a parent to submit their information is not a valid reason for a student to be considered independent.
- The student will not be eligible for any need-based aid if the parent information and signature is not submitted.

Completing the FAFSA

In cases of divorce or separation, which parent(s) complete the FAFSA?

The parent with whom the student lived most in the previous 12 months is the custodial parent. If the student lived with each parent the exact same amount of time, then provide information about the parent who provided the most financial support in the past 12 months.

If the parent determined to be the custodial parent is remarried, the step-parent's information must also be included in determining the eligibility for financial aid.

CSS/Financial Aid Profile

- The CSS Profile is a supplemental application required by many selective private colleges and universities for consideration for need-based financial aid.
- Check for a specific school's application requirements.
- Collects information on business value, home equity, non-custodial parent, sibling assets, social security income, automobiles, etc...
- Available online at <https://profileonline.collegeboard.org>
- Fee attached:
 - \$25 for application and one college
 - \$16 for each additional college

Institutional Financial Aid Application

- Free application supplied by individual colleges and universities
- Collects supplemental information required by the school to award institutional need-based and/or merit-based financial aid
- May ask for additional financial information similar to the CSS Profile

Expected Family Contribution- EFC

- **Federal EFC**
 - Based on FAFSA information
 - Highly dependent on income, number in family, and number in college
 - Should not change from one college to the next
- **Institutional EFC**
 - Base on FAFSA information as well as supplemental information provided on the CSS Profile or institutional form
 - More value give to assets and includes more untaxed income than federal EFC
 - Will be different at different colleges

Cost of Attendance (COA) and Financial Need

$$\text{COA} = \text{Direct Costs} + \text{Indirect Costs}$$

- **Direct Costs**
 - Tuition and Fees
 - Room and Board
- **Indirect Costs**
 - Books
 - Travel Expenses
 - Miscellaneous Expenses
 - Loan fees

$$\text{Financial Need} = \text{COA} - \text{EFC}$$

Financial Aid Award

- Addressing financial need is the goal of the financial aid award
- The financial aid award may be made up of any of the following depending on eligibility
 - Federal Grants
 - State Grants
 - Institutional Scholarships
 - Institutional Grants
 - Federal Loans
 - Work Study

Federal Grants

- **Federal PELL Grant**
 - Funded and levels determined by the federal government
 - Eligibility based on EFC, Cost of Attendance, and enrollment status
 - Sliding scale with maximum of \$5,815 for 2016-17 for students with an EFC of zero and \$598 for students with an EFC of \$5,234.
- **FSEOG –Federal Supplemental Education Opportunity Grant**
 - Up to \$4000
 - Amount awarded is determined by school's allocated amount and number of students who qualify

New Jersey State Grants

- Only available if student is attending a New Jersey college or university
- **Tuition Assistance Grant (TAG)**
 - Maximum awards for 2016-2017 range from \$2,680 at county colleges to \$12,438 at independent private colleges
 - Students must answer supplemental questions online at www.hesaa.org
 - Additional information may be required
 - Eligibility based on the New Jersey Eligibility Index (NJEI) which is determined by FAFSA and supplemental information

New Jersey State Grants

- **New Jersey Student Tuition Assistance Reward Scholarship (NJ Stars)**
 - Full Tuition at NJ Community Colleges – NJ STARS
 - Students who rank in the top 15% of their high school class may be eligible
 - \$2,500/year at 4 year public and private colleges – NJ STARS II
 - NJ STARS recipients with a 3.25 GPA and who earn their associate's degree
 - www.njstars.net
- **Equal Opportunity Fund (EOF)**
 - Awards range from \$200 to \$2,500 depending on the type of institution and financial need.
 - Students apply for EOF through the college or university. There may be a separate application process to gather EOF specific information.

Institutional Grants

- **Merit Based**
 - Usually awarded as a result of a student's academic record, special talents, or special circumstances
 - Awarded without regard to financial need but can be used to meet a student's financial need
 - Some scholarships require a separate application, interview, audition, or test
- **Need Based**
 - No fixed formula for all schools
 - Depends on cost of attendance, EFC, and school policy (i.e. some schools meet need, some meet a percentage of need, some include loans, etc...)

Private Scholarships

- Many organizations, clubs, companies offer scholarships to students
- Sources of information on scholarships
 - High school guidance office
 - Public library
 - www.fastweb.org
 - www.collegeboard.org
 - Parents' places of employment
 - Colleges

Federal Loans and Work Study

- **Federal Direct Student Loans**
 - Subsidized vs. Unsubsidized
 - Maximum of \$5,500 for freshman year (only up to \$3,500 can be subsidized)
 - Eligibility determined by information provided on the FAFSA and the student's grade level
 - Fixed interest rate of 3.86% for 2016-2017 determined by adding 10 year T Bill rate to a spread of 2.05%
 - Interest and fees set on July 1 for upcoming academic year
- **Federal Work Study**
 - Awards vary by school
 - Award is used to meet financial need but cannot usually be applied to direct charges
 - Student is paid an hourly wage and actual award is based on hours worked

Financing Options

- **Federal Direct Parent PLUS Loan**
 - Parent is the borrower
 - Simple credit check involved (looks for adverse credit, no credit scores)
 - Fixed rate of 6.31% FOR 2016-2017 – Determined by adding the 10 year T Bill rate to a spread of 4.6%
 - Can borrow up to the cost of attendance minus all financial aid
- **Payment Plans**
 - Generally 5 (one semester) or 10 (full year) months
 - Interest free
 - Nominal application fee
- **Private Education Loans**
 - Many lenders including HESAA
 - Credit check involved/cosigner almost always required
 - Interest rates may be fixed or variable and depend on credit score and application
 - Can borrow up to the cost of attendance minus all financial aid

Resources

- www.studentaid.ed.gov
- www.hesaa.org
- www.njstars.net
- **EFC Calculator**
 - FAFSA4caster or www.collegeboard.org
- **Loan Calculators**
 - www.finaid.org
- **Admissions Offices and Financial Aid Offices for the colleges to which the student is applying**
- **College websites**
 - Application deadlines
 - Grants and scholarships
 - Net Price Calculator/Cost Calculator

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