

National Association of Student Financial Aid Administrators

What You Need to Know about Financial Aid



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What is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses



Grants and Scholarships

- Money that does not have to be paid back is **GIFT AID**; grants & scholarships
- Scholarships awarded on the basis of merit, skill, or unique characteristic
- Most require an application
- Foundations, businesses, charitable/religious organizations,
- Guidance Office at HS
- Employers
- Free Scholarship Search at www.fastweb.org

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Federal Government Aid Programs

- Largest source of financial aid
- Awarded primarily on the basis of financial need
- General financial aid information on-line @ www.studentaid.ed.gov
- Must apply **every year** using the Free Application for Federal Student Aid (FAFSA)



Common Federal Aid Programs

GRANTS *(aid typically not paid back)*

- Federal Pell Grant
- Iraq and Afghanistan Service Grant (IASG)
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)

WORK & LOANS

- Federal Work-Study (FWS) **earned by student**
- Subsidized and Unsubsidized Federal Direct Student Loans (Direct Loans) **repaid by student**
- PLUS Loans **repaid by parent**



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State of Michigan Aid Programs

www.michigan.gov/mistudentaid

- Sign up for email news letter
- Facebook
- Twitter
- Tuition Incentive Program (TIP)
- Michigan uses the first school listed on the FAFSA for purposes of
 - Michigan Tuition Grant
 - Michigan Competitive Scholarship
 - March 1, 2017 deadline



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What is the FAFSA...

Free Application for Federal Student Aid

- **FAFSA is:** A standard form that collects demographic and financial information about the student and family
- **FREE** – do not pay to file the FAFSA or pay someone else to file it for you!
- FAFSA information used to determine a student/family's Expected Family Contribution (EFC)



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How to Apply for Aid - Step One: Must Have a Federal Student Aid Identification (FSA ID)

How to
File

Apply at: www.fsaaid.ed.gov

- ID used to sign FAFSA electronically by **BOTH** student and parent
- May be used throughout aid process, including subsequent school years
- **Only the owner of an FSA ID should create or use the account!**



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Create a New FSA ID

An FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.

Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

To create your own personal FSA ID, enter answers for the questions below and select CONTINUE.

Important: When you are done click the CANCEL button to clear your data, even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.

Create An FSA ID Edit My FSA ID

E-mail

Confirm E-mail

Username *

Password *

Confirm Password *

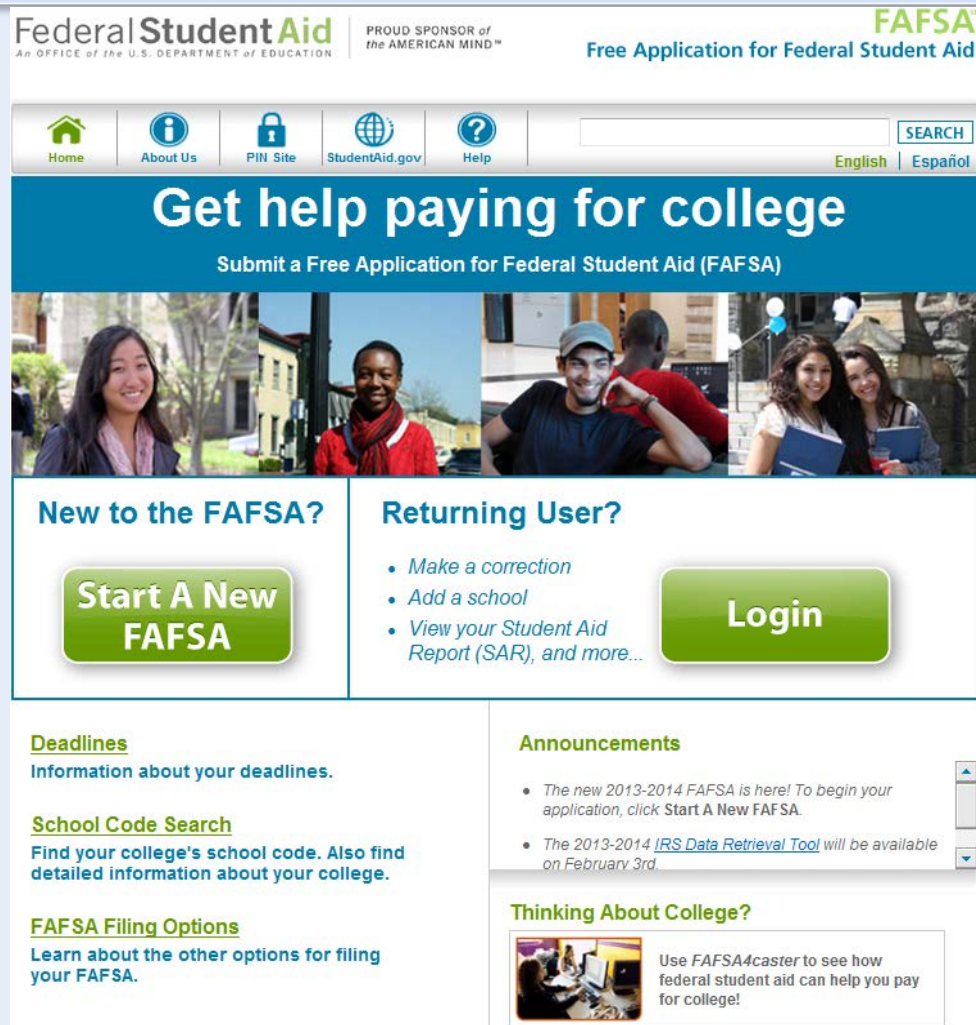
Are you 13 years of age or older? *
☐ I am 13 years of age or older.
☐ I am 12 years of age or younger.

[Edit My FSA ID](#)
[Frequently Asked Questions](#)

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Step Two: Where to File FAFSA on the Web

- Website:
www.fafsa.gov
- FAFSA on the Web available on:
**October 1, 2016 for
2017-2018!!!**
- Carefully follow the instructions on each page



The screenshot shows the FAFSA website homepage. At the top, it says "Federal Student Aid" and "PROUD SPONSOR of the AMERICAN MIND™". Below this is a navigation bar with icons for Home, About Us, PIN Site, StudentAid.gov, and Help. A search bar is on the right. 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 showing four diverse students. The page is divided into two main sections: "New to the FAFSA?" and "Returning User?". The "New to the FAFSA?" section has a green button labeled "Start A New FAFSA". The "Returning User?" section has a list of links: "Make a correction", "Add a school", and "View your Student Aid Report (SAR), and more...", along with a green button labeled "Login". Below these sections are three columns of links: "Deadlines" (Information about your deadlines), "School Code Search" (Find your college's school code), and "FAFSA Filing Options" (Learn about the other options for filing your FAFSA). On the right, there are "Announcements" and a "Thinking About College?" section with a video thumbnail and text: "Use FAFSA4caster to see how federal student aid can help you pay for college!"



Whose Information Do I Report on the FAFSA?

- For most entering freshmen, students will enter their information as well as that of their parent(s)
- My parents are separated or divorced, how do I report their information?



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FAFSA Deadlines and Awarding

- Colleges set their own FAFSA filing deadlines for awarding of their institutional funds (*UM-Flint preferred filing deadline, December 1st*)
- Most colleges and universities will begin awarding in **December 2016 to mid-April 2017**



How Colleges Determine Need for Aid

Cost of Attendance

– Expected Family Contribution

= Financial Need



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What is Cost of Attendance (COA)

- The cost of attendance (COA), also known as the budget, is an estimation of what it costs to go to school for a specific period of enrollment.
 - tuition & fees
 - room & board
 - books & supplies
 - personal/miscellaneous expenses
 - transportation
- Varies widely from college to college

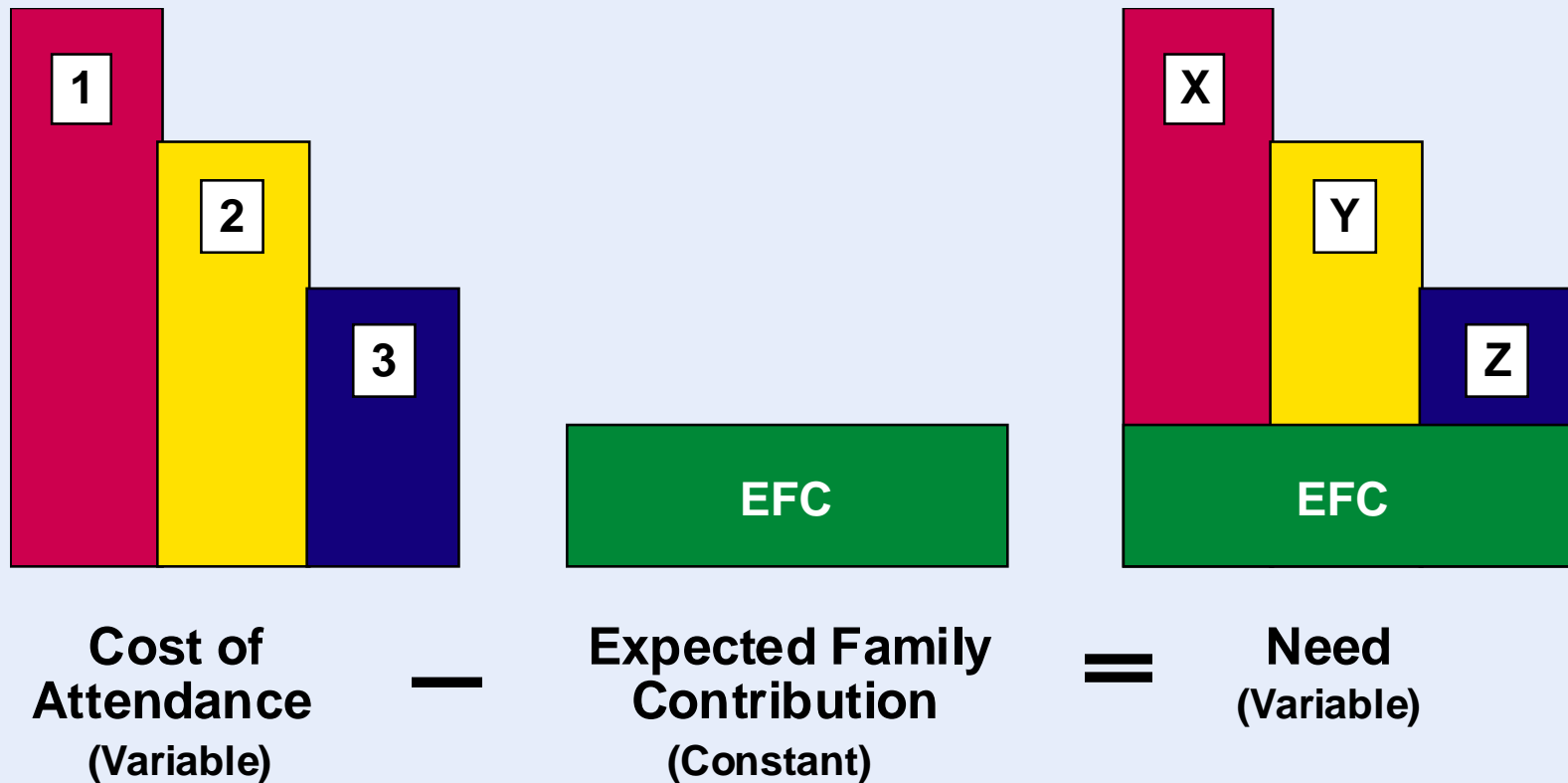


What is the Expected Family Contribution (EFC)

- Amount family can reasonably be expected to contribute towards the cost of the student's education for an academic year
- Stays the same regardless of college
- Two components
 - Parent contribution
 - Student contribution



Need Varies Based From School to School



Let's Talk Federal Loans

- Money that students and parents borrow to help pay college expenses
- Repayment usually begins after education is finished
- Only borrow what is really needed
- Look at loans as an investment in the future



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Annual Borrowing Maximums of Federal Student Loans

Year in College	Initial Loan Amount	Additional Unsubsidized Loan for Dependent Undergraduates
First Year	\$3,500	\$2,000 (\$5,500 total)
Second Year	\$4,500	\$2,000 (\$6,500 total)
Third Year & Fourth Year	\$5,500	\$2,000 (\$7,500 total)
Undergraduate Loan Maximum Debit Limit:		\$31,000 (only \$23,000 can be Subsidized Loan)

This table shows the maximum yearly amount that a dependent student can be offered in Federal Direct Stafford Subsidized and Unsubsidized Loans. It also states the maximum aggregate limit a dependent student is allowed to have for their entire undergraduate career.



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Federal Student Loans

Year in College	Maximum Yearly Loan Amount	
First Year	\$5,500	
Second Year	\$6,500	
Third Year	\$7,500	
Fourth Year	\$7,500	
Total Loan Debt After 4 Years:	\$27,000	Max Loan Debt: \$31,000 <u>- 4 Year Loan Debt:</u> <u>\$27,000</u> Loan Remaining for 5 th year: \$4,000 Estimated repayment amount: \$350/month

If a student takes out the maximum amount of loan each year for the first four years of college they will rapidly approach the \$31,000 limit. More importantly, they will only have \$4,000 remaining for the 5th year of college (if necessary).

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How to Help Cover Gaps in Educational Costs

- Payment Agreements
- Federal Direct PLUS Loan
- Private Loans



Satisfactory Academic Progress (SAP)

- To be eligible to receive federal student aid, you must meet and maintain your college's standards of satisfactory academic progress toward a degree or certificate.
- Each college has a policy – students need to be aware of the policy whether you receive financial aid or not.

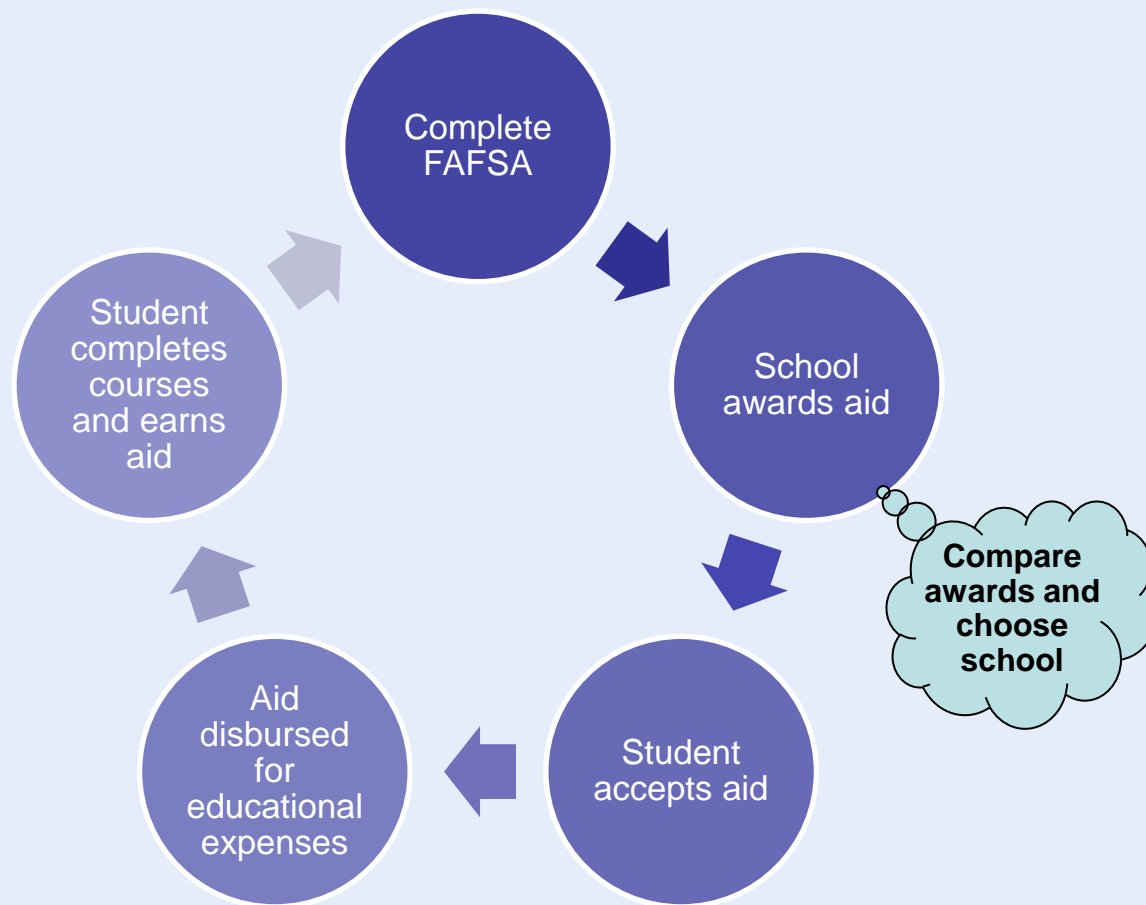


Special Circumstances

- Send written explanation to financial aid office at each college; do not report on FAFSA
 - Change in employment status
 - Change in parent marital status
 - Unusual dependent care expenses




Let's Recap: Financial Aid Yearly Cycle



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For More Information Visit: Federal Student Aid



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Types of Aid ▾

Who Gets Aid ▾

FAFSA: Applying for Aid ▾


How to 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.




HOW DO I PREPARE FOR COLLEGE?

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




WHAT TYPES OF AID CAN I GET?

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




DO I QUALIFY FOR AID?

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.



HOW DO I APPLY FOR AID?

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



HOW DO I MANAGE MY LOANS?

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

ANNOUNCEMENTS

INFORMATION ABOUT DEBT RELIEF FOR CORINTHIAN COLLEGES STUDENTS

Prepare for College Explore Careers Career Search Checklists to Get Ready Choosing a School School Search Understanding College Costs	Types of Aid Grants and Scholarships Loans Work-Study Jobs Aid for Military Families Avoiding Scams	Who Gets Aid Basic Eligibility Criteria Non-U.S. Citizens Staying Eligible Regaining Eligibility	FAFSA: Applying for Aid Estimate Your Aid Filling Out the FAFSA Dependency Status The FSA ID Next Steps After FAFSA Correcting Your FAFSA	How to Repay Your Loans Making a Payment Repayment Plans Loan Consolidation Deferment and Forbearance Forgiveness, Cancellation, and Discharge	More Info About Us Contact Us Leave Us Feedback Glossary Resources Announcements
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THANK YOU!
UM-Flint Office of Financial Aid
810-762-3444

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