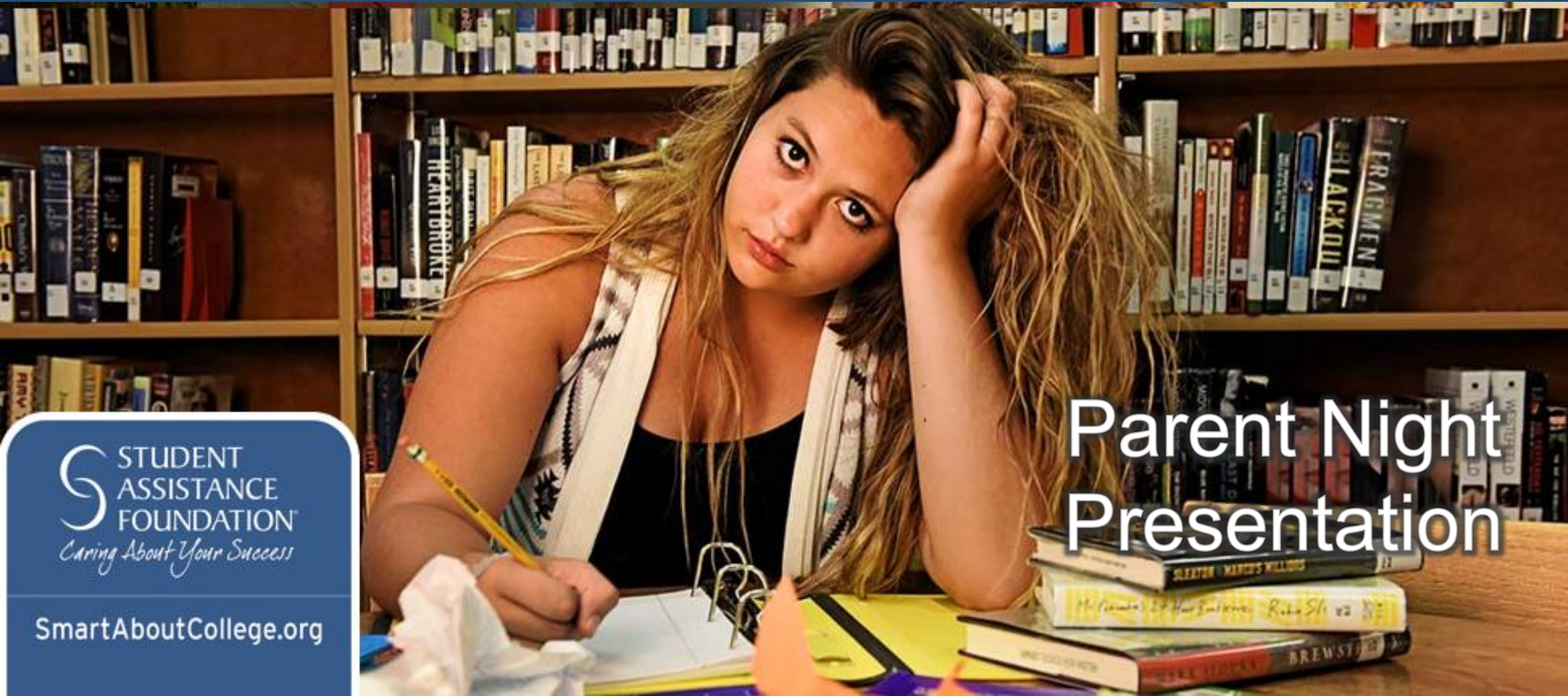


WHAT YOU NEED TO KNOW ABOUT FINANCIAL AID



**STUDENT
ASSISTANCE
FOUNDATION**
Caring About Your Success

SmartAboutCollege.org

**Parent Night
Presentation**



Topics to be discussed:

- What is financial aid?
- Where does it come from? How do I get it? Am I eligible?
- What is the FAFSA?
- Important Dates and Deadlines
- Completing the FAFSA – helpful hints
- The Financial Aid Process
- COA, EFC, Need
- Types of aid
- New this year
- Special circumstances
- Other Forms, Resources
- Paying The Bill

What is financial aid?

- Funds to help students and families pay for post-secondary expenses.

Where does it come from?

- Many sources — federal, state, local, institutional, employers, civic organizations, private donors etc.

I'm feeling...

Confident!!!

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How do I get Financial Aid?

- Apply for an FSA-ID
- Complete the FAFSA
- Apply early
- Apply for Scholarships
- Follow instructions
- Pay attention to/meet all deadlines
- Apply EVERY YEAR



Am I eligible to receive financial aid?

Every family who applies can receive some type of aid

- Non-need based student loans are available to any student
- Student must have HS Diploma, GED, HiSet, or homeschool completion certificate

Exceptions:

- If you are in default on a federal student loan
- If you owe a refund on a federal grant
- If you are male 18 or over and do not register for Selective Service
- If you have certain drug convictions
- If you are not a US citizen or eligible non-citizen

What the Heck is the FAFSA?

- FREE Application for Federal Student Aid
- Standard form collects info about student & family
- Determines eligibility for Federal, state, local aid
- Determines “Financial Need” and “EFC”

I'm feeling...

Anxious

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What is the FAFSA?

- Used by scholarship committees to award need-based scholarships
- Not a scholarship app
- E-filing recommended
- Takes most people 21 minutes to complete
- Help is available!
- www.fafsa.gov



What is the FAFSA form used for?

- Use FAFSA to determine eligibility and apply for:

- Grants
- Work Study
- Loans
- Some State aid

- Use different applications for:

- Scholarships
- Student Loans
- Athletic Waivers – usually a separate process – contact the Athletic Dept.



Important Dates – FAFSA Priority Date

- Submitting FAFSA by this date may mean additional “priority” funding
- Limited additional grants, work-study, institutional funds
- Priority funds – to earliest applicants/neediest students
- Especially important for needy families to meet priority dates
- NOTE: Pell Grant, Federal Direct Student Loans, Parent PLUS Loans are not affected by priority dates.
- **Bottom Line:** Even if you *miss* a “priority” date, you **still** need to submit your FAFSA to qualify for other aid

Important Dates

FAFSA Priority DATE for 2016-2017

- February 15th – U of M
- March 1st for most Montana schools
- Check with your school
- NOTE: May change for 2017-2018



Important Deadlines – To Name a Few

- Scholarship app deadline
- Admissions deadline
- Dorm app/deposit deadline
- “Return award letter by” deadline
- Course registration deadline
- “Pay statement by” deadline - late fees, dropped classes
- Withdrawal or drop classes without penalty – deadline
- Assignment deadline

Completing the FAFSA

Why file electronically?

- Speeds processing
- Prevents costly errors (built-in edits)
- Skips unnecessary questions
- Optional (but recommended): Use IRS data retrieval tool to import tax data directly from IRS
- Faster correction processing
- Detailed instructions & help
- Renewal FAFSA



Completing the FAFSA - Frequent FAFSA errors

- Wrong Social Security #s
- Divorced/remarried parental information
- Untaxed income
- U.S. income taxes paid
- Household size
- Number in household/number in college
- Assets/investments net worth



Completing the FAFSA

- Use accurate DOB, SSN, legal name from Social Security Card

Eligibility:

- Must be degree-seeking
- Must be making "SAP"
- Pell eligibility - 12 semesters max

I'm feeling...
Calm

Completing the FAFSA – Dependency Questions

Criteria to be independent (*parent info not required*):

- Born **before** Jan. 1, 1993 (born in 1992 or before)
- Working on a graduate degree (*Completed Bachelors Degree*)
- Married, Veteran, Active Duty, or have dependents that you support more than 50%
- Since turning age 13, was an orphan, in foster care, a dependent or ward of the court
- Is currently designated by one of several agents/agencies as an unaccompanied youth who was homeless or self-supporting and at risk of being homeless
- Was or is an emancipated minor or in legal guardianship

Student Dependency Questions

- If all “No” responses – student is dependent
 - Provide parental information on FAFSA
- If even one “Yes” response – student is independent
 - Do not provide parental information
- Special circumstances affecting dependency can be considered



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Special Circumstances

Exceptions for dependency:

- Abandonment
- Abuse
- Neglect
- Student answers “no” to all dependency questions on FAFSA
- Marks “I will not provide parental data”
- Contact the financial aid office for assistance
- Document

Completing the FAFSA

Both the parent(s) and student report:

- Taxable income
- Untaxed income
- Asset Info
- Household Info
- Parent information: PURPLE
- Student information: ORANGE



Completing the FAFSA

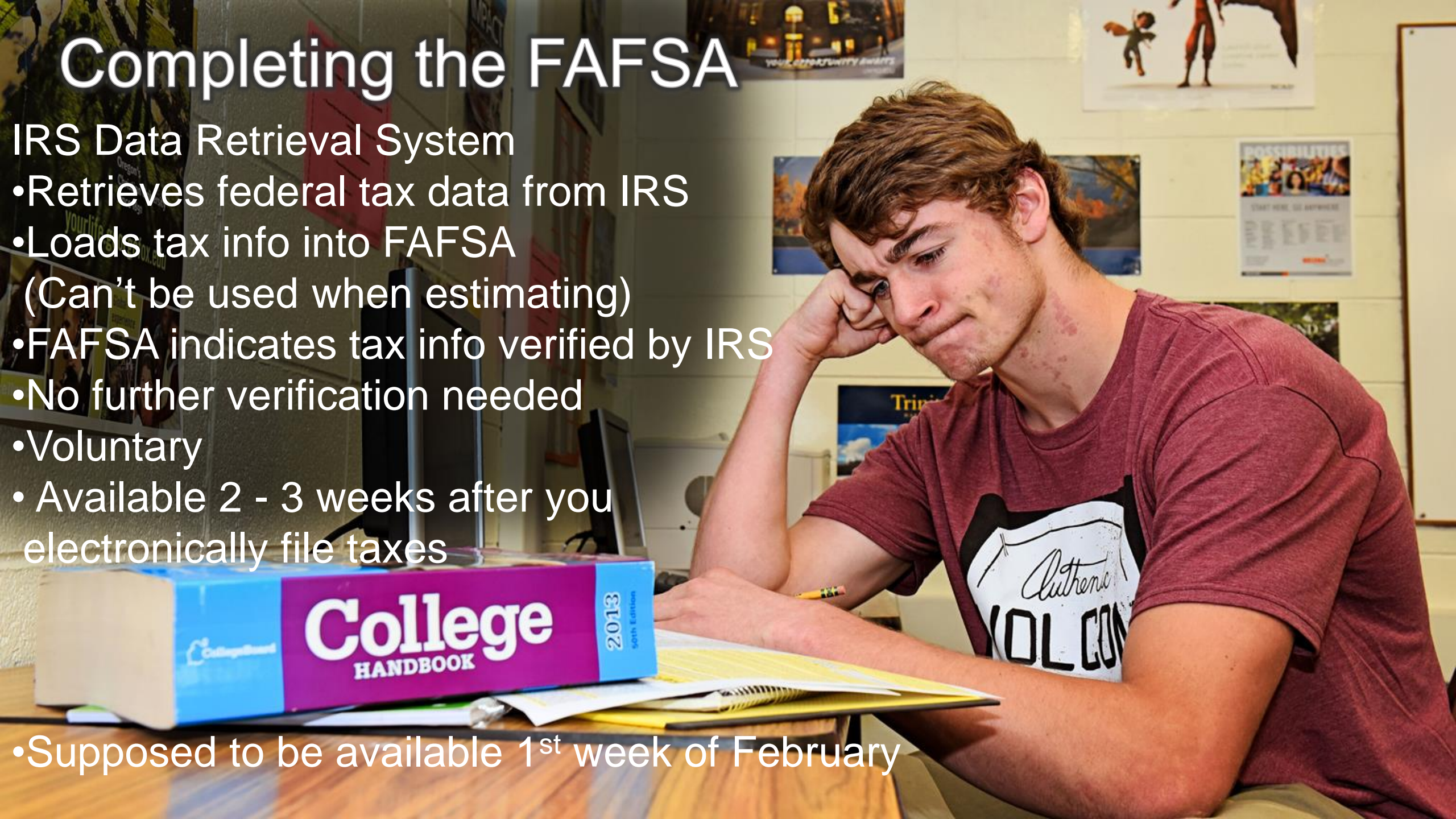
- Report taxed income using 2015 Federal tax return and W-2s
- If taxes aren't completed, use 2014 tax return as guideline to estimate along with final pay-stubs, W-2s
- Report Untaxed income – child support, untaxed IRA distributions, payments to tax-deferred pensions, Worker's Comp, contributions to Health Savings Accounts (HSAs)
- For needy families – more important to meet priority dates than to wait for completed tax returns
- Don't miss out on priority aid - use estimates & update once taxes are filed

Completing the FAFSA

IRS Data Retrieval System

- Retrieves federal tax data from IRS
- Loads tax info into FAFSA
(Can't be used when estimating)
- FAFSA indicates tax info verified by IRS
- No further verification needed
- Voluntary
- Available 2 - 3 weeks after you electronically file taxes

- Supposed to be available 1st week of February



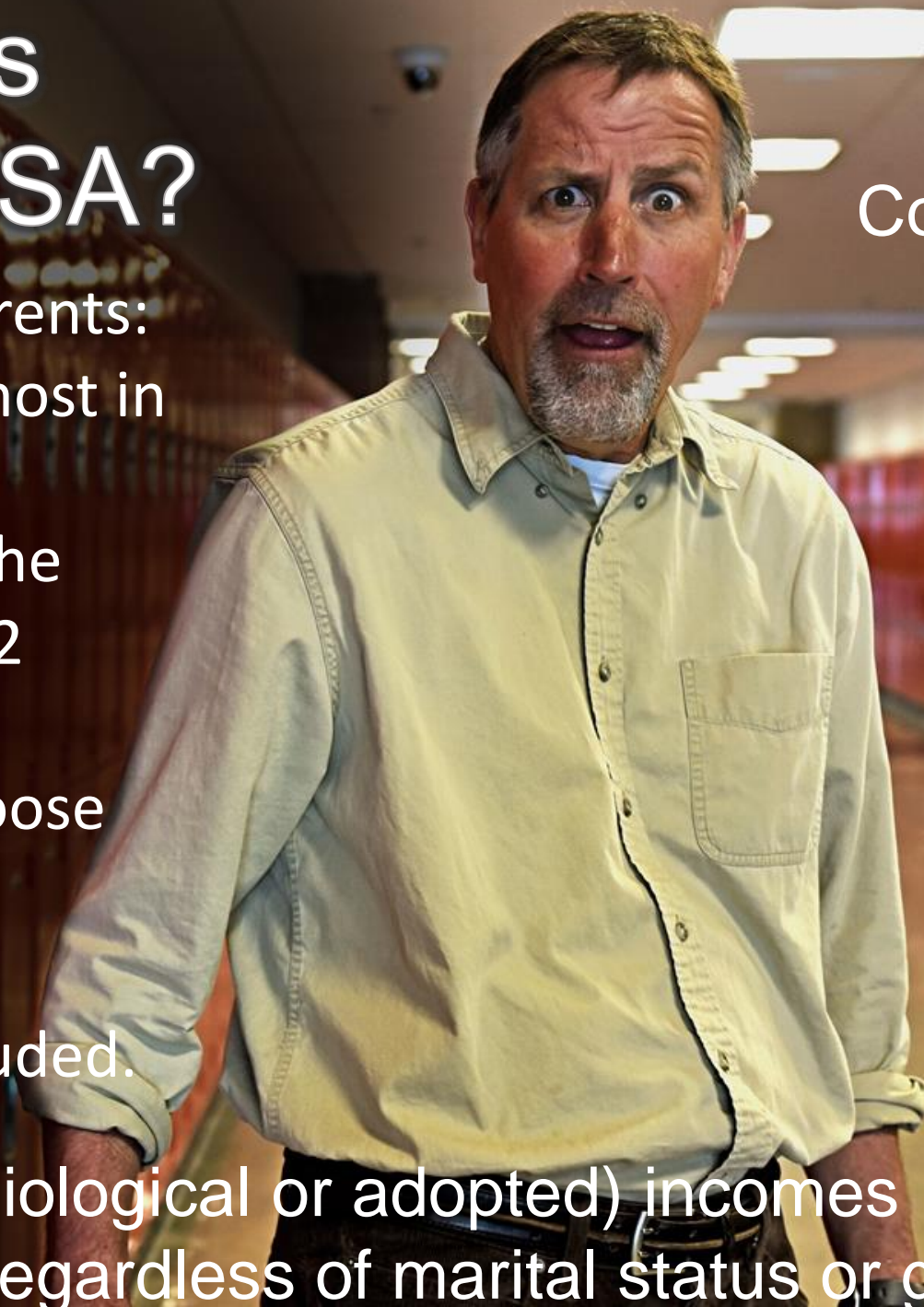
Whose information is reported on the FAFSA?

Confused yet?

Divorced/Separated/Remarried Parents:

1. Who did the student live with most in the last 12 months?
2. If #1 isn't clear, who provided the most financial support in last 12 months?
3. If neither #1 nor #2 is clear, choose the parent who most recently provided support.
4. Stepparent's info is always included.

Note: Both legal parents' (biological or adopted) incomes are used if living together, regardless of marital status or gender.



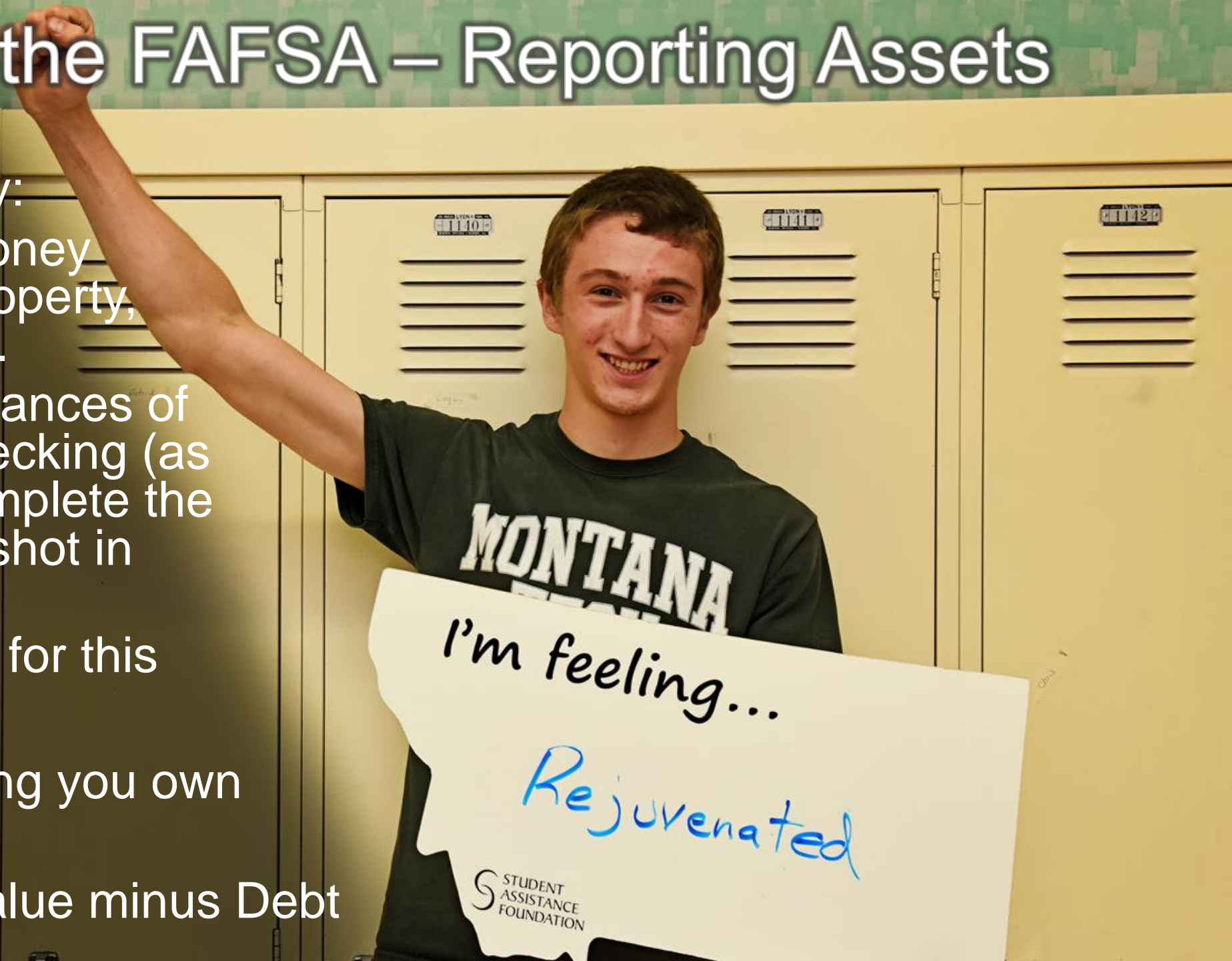
Completing the FAFSA – Reporting Assets

Report net worth only:

- Stocks, bonds, money markets, rental property, second home, etc.
- Report current balances of cash, savings, checking (as of the day you complete the FAFSA – “a snapshot in time”).
- May not be asked for this information

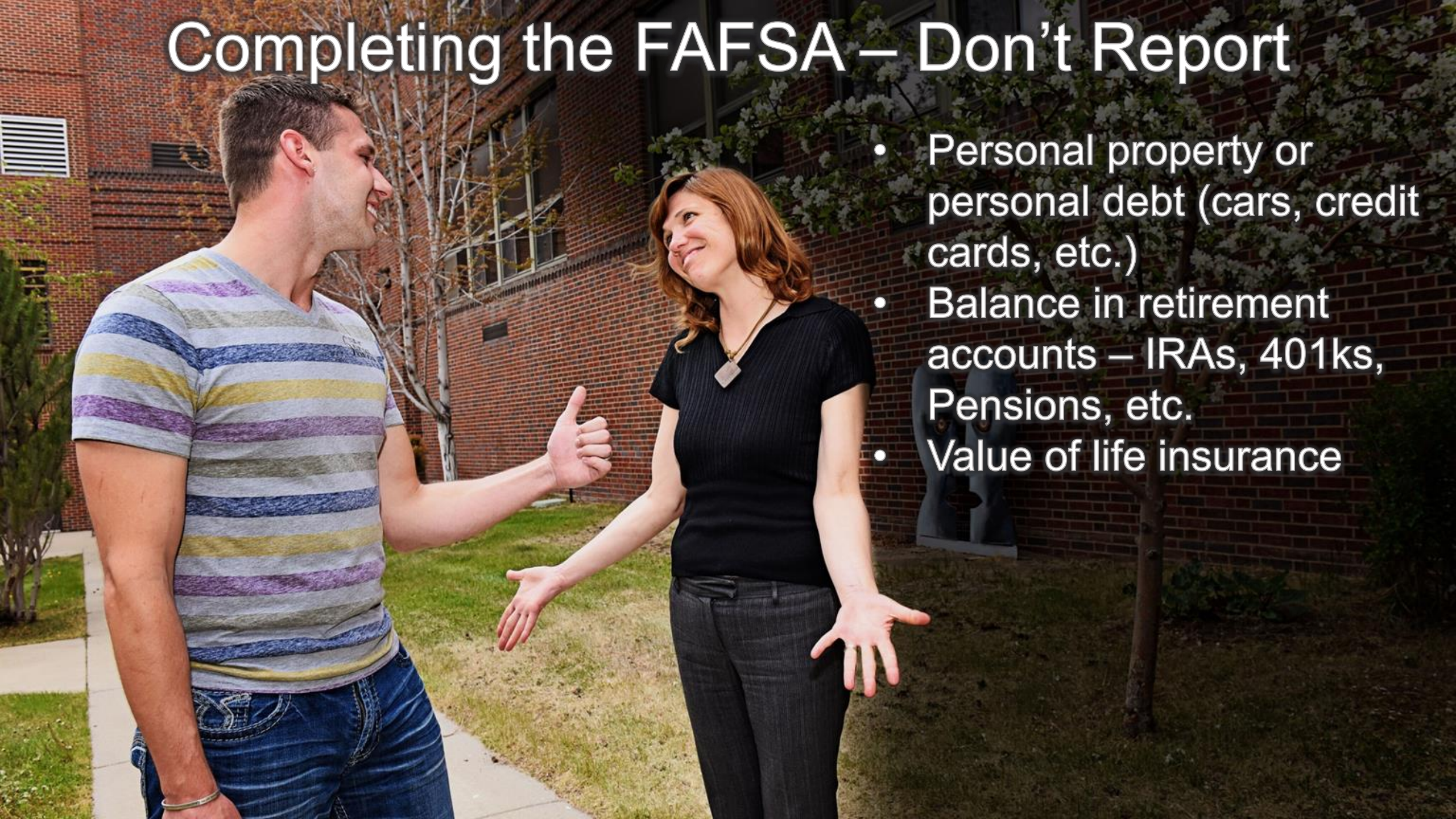
ASSET = something you own that has value

NET WORTH = Value minus Debt



Completing the FAFSA – Don't Report

- Personal property or personal debt (cars, credit cards, etc.)
- Balance in retirement accounts – IRAs, 401ks, Pensions, etc.
- Value of life insurance



Completing the FAFSA – Do NOT Report:

Do NOT report these assets:

- Family home you live in
- Family farm you live on, own and operate
- Family Business (if you own/control at least 50% and you employ less than 100 people)

I'm feeling...

RELIEVED

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Additional Information

- College and housing information
- FAFSA preparer information
- Certification/Statement of Educational Purpose

Once you sign and submit the FAFSA:

- If you are a parent with more than one student in college – click on confirmation page to pre-fill your second student's FAFSA

FAFSA Processing Times

Once the FAFSA is submitted:

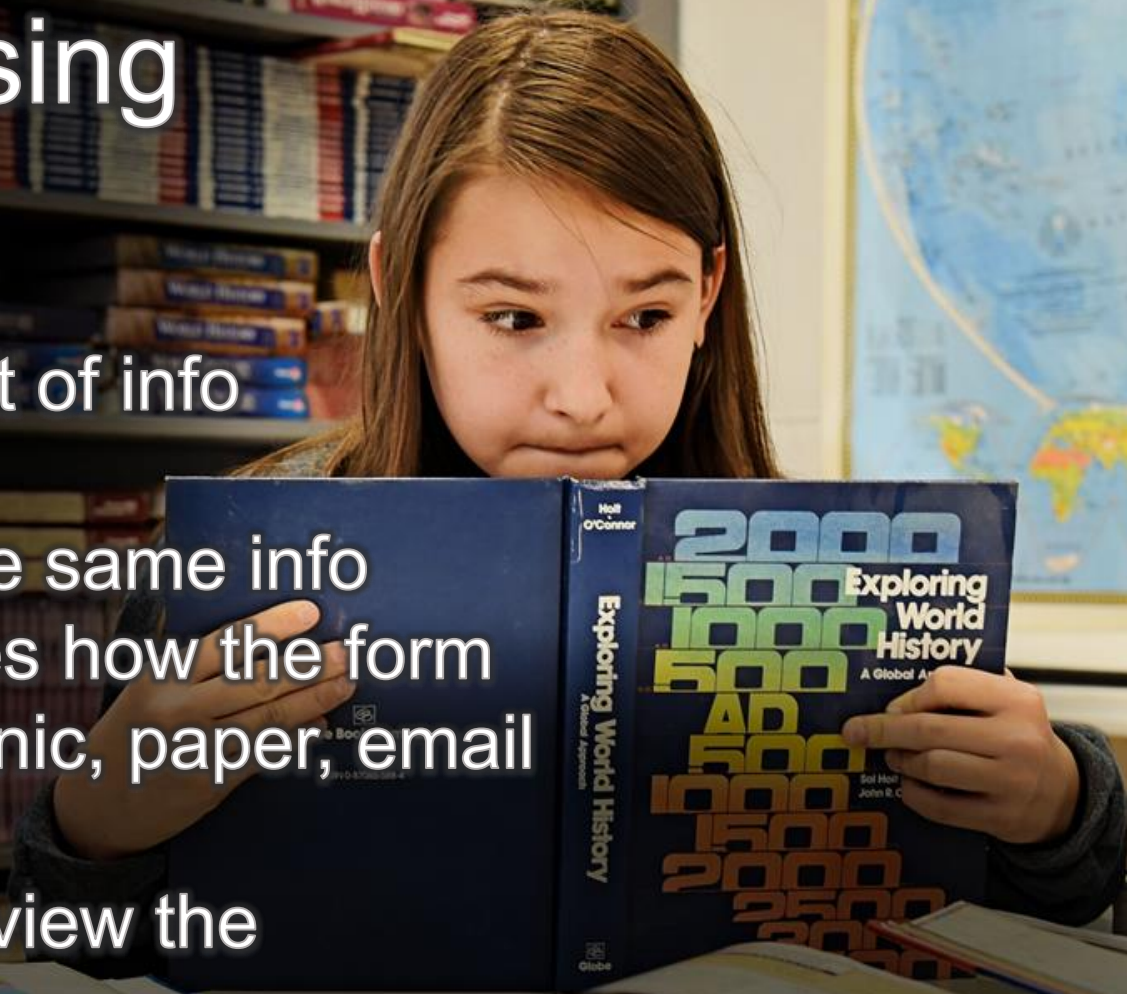
- Print and keep your confirmation page

Timelines for Schools to receive your SAR:

- 1 – 3 days if FAFSA submitted electronically
- 4 – 6 weeks++ if paper FAFSA is mailed
- School processing times vary

FAFSA Processing Results

- Student receives report of info submitted
- Schools you list receive same info
- How you file determines how the form is sent to you – electronic, paper, email provided
- You can and should review the information for errors
- Correct errors, update estimated income figures



NOW WHAT HAPPENS?

- FAFSA has been submitted & processed; Financial Aid office has your info
- Their job – verify accuracy, correct if necessary, determine need
- Award aid to meet your expenses
- Award as many students as equitably as possible
 - Do not have to be full-time (12+ credits) to receive Federal aid
 - DO have to be at least ½ time (6+ credits) to receive Federal student loans
 - Scholarships may require FT attendance or specific credit load (15+)
- The Financial Aid Process

The Financial Aid Process

FAFSA is completed and submitted for processing by student and family

Federal Processor determines "EFC" – Expected Family Contribution – and sends info to schools listed on FAFSA

School's Financial Aid Office receives FAFSA info


FAO creates Financial Aid Award "Package" and prepares Award letter

Financial Aid office reviews, verifies, corrects info & determines financial need based on EFC

VERIFICATION

Student receives Award letter showing Cost of Attendance, Expected Family Contribution, Estimated Financial Need, and the financial aid awards you are being offered.

Student responds to award letter BEFORE DEADLINE; accepts aid offers, rejects aid offers – or accepts lesser amounts if desired (example Student loans)



What is Cost of Attendance (COA)?

- A “student budget” to help you plan for cost of one year of school
- Includes direct, indirect costs
- Varies widely from college to college
- Careful budgeting can lower indirect costs

What does COA include?



- Tuition & Fees (Direct cost)
- Books and Supplies (Can be either)
- Room and Board (Can be either)
- Travel Costs (Indirect)
- Miscellaneous (Indirect)
- COA varies depending on # of credits, possibly living situation

What is Expected Family Contribution (EFC)?

- Amount family can reasonably be expected to contribute
- Stays the same regardless of college
- Parent contribution + Student contribution
- Calculated from data provided on FAFSA
- “Zero” EFC = Highest need , highest eligibility
- 0 EFC = Max Pell of \$5775 for 2015-2016 (If full time)
- Max Pell for 2016-2017? Not Yet Determined
- 5198 EFC = \$626 Pell (for Less Than Half-Time attendance)
- 5199 or > = No Pell eligibility

What is Financial Need?

- The difference between COA and EFC
 - The amount that can be funded by need-based aid*
- * Financial aid includes need and non-need based funding

Need/Non-Need Based Funding

COA

\$19,000



COA - The amount of funding needed*

Minus EFC

\$ 3,000

EFC can be covered by family savings, “non-need” based aid (unsubsidized student loan, Parent Loan, non-need work study)

= Financial Need

\$16,000

Financial Need can be covered by any *need-based aid* available – grants, scholarships, need-based work study and need-based loans

* Remember – COA is your 9 month “budget” - you can control some costs

Types of Aid – Federal student aid programs

- Federal Pell Grant
- Iraq and Afghanistan Service Grant (IASG)
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Education Opportunity Grant (FSEOG)
- Federal Work-Study (FWS)
- Federal Perkins Loan (phase out)
- Subsidized and Unsubsidized federal direct student loans (Direct Loans)
- PLUS loans

Types of financial aid

- Scholarships
- Grants

• Gift aid

- Employment
- Loans

• Self-help aid



Gift aid: Grants

- Do not have to be paid back
- Awarded based on financial need
- Examples: Pell Grant, FSEOG
-

I'm feeling...

Thankful

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Gift aid: Scholarships

- Do not have to be paid back
- Awarded on basis of merit, skill, need, or unique characteristic
- Deadlines are non-negotiable
- Examples: Elks Scholarship, MSU scholarships, etc.

I'm feeling...

Supported

- Remember – you have to APPLY
- Separate App from FAFSA!

Gift Aid: Scholarships

92% come from local resources & the college you attend

- High School counselors
- College Financial Aid website
- Admissions Offices
- Small scholarships add up ... sometimes to \$1.4 Million

Gift Aid: Scholarships

Free internet searches

- Use to *supplement* local, college apps
- SCHOLLY! Ask me for your free join code or visit Smartaboutcollege.org
- <https://bigfuture.collegeboard.org>
- <https://www.mus.edu/Prepare/Pay/Scholarships>
- Fastweb.com
- Beware of scams - if it sounds too good to be true . . .

Self-help aid: Work-study

- Student earns money to help pay educational costs
- Student work schedule does not interfere with classes
- Can be on or off campus
- Won't appear on your statement as a credit – why?

Self-help aid: Loans

- Money borrowed to pay college expenses
- Repayment begins after student leaves school
- Free money first; borrow only what is really needed
- Federal loans can be an investment in your future
 - Federal Direct Student loans 4.29%* no credit check/no denial
 - Parent (PLUS) Loans 6.84%* - Credit check, can be denied
 - If denied, student can receive additional loan funds
 - Private student loans (last resort) credit check, interest varies, Co-signer often required

How do I apply for a Federal loan?

- Complete the FAFSA
- Go through awarding process at your school
- If you are offered a Federal loan, accept minimum amount possible
- Accept any Subsidized loan offers first – Why?
- Complete the Master Promissory Note (MPN) @ studentloans.gov
- Complete entrance counseling at studentloans.gov
- Any other requirements from your school

How Much Can I Borrow?

Grade Level	Subsidized may not exceed 4.29%*	Unsubsidized 4.29%*	Annual Limit
1 st year	\$3,500	\$2,000	\$5,500
2 nd year	\$4,500	\$2,000	\$6,500
3 rd year and beyond	\$5,500	\$2,000	\$7,500
AGGREGATE LIMIT	\$23,000		\$31,000

How much SHOULD you borrow?

New This Year – FSA ID

- Sign FAFSA electronically
- Replaces the PIN number
- Used throughout college years for federal loan applications, records access & linking to IRS
- The student and one parent need an FSA-ID
- Do not share your FSA-ID with ANYONE

Website: <https://fsaid.ed.gov>

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Login

Enter your username and password and select LOGIN if you already have an FSA ID. If you do not have an FSA ID, select the Create An FSA ID tab.

* Required

Log in to STUDENTAID.GOV

Create An FSA ID

Edit My FSA ID

Username (or Verified E-mail Address) *



[Forgot My Username](#)

Password *



[Forgot My Password](#)

LOGIN

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

New This Year: Prior Prior Year (PPY)

For 2016-2017 FAFSA, use 2015 income info

- The **PRIOR** year
- Estimate if necessary using 2014 tax form, 2015 W-2s, pay-stubs, etc.
- File beginning January 1, 2016 for fall 2016 entry into college

For 2017-2018 FAFSA, also use 2015 income info

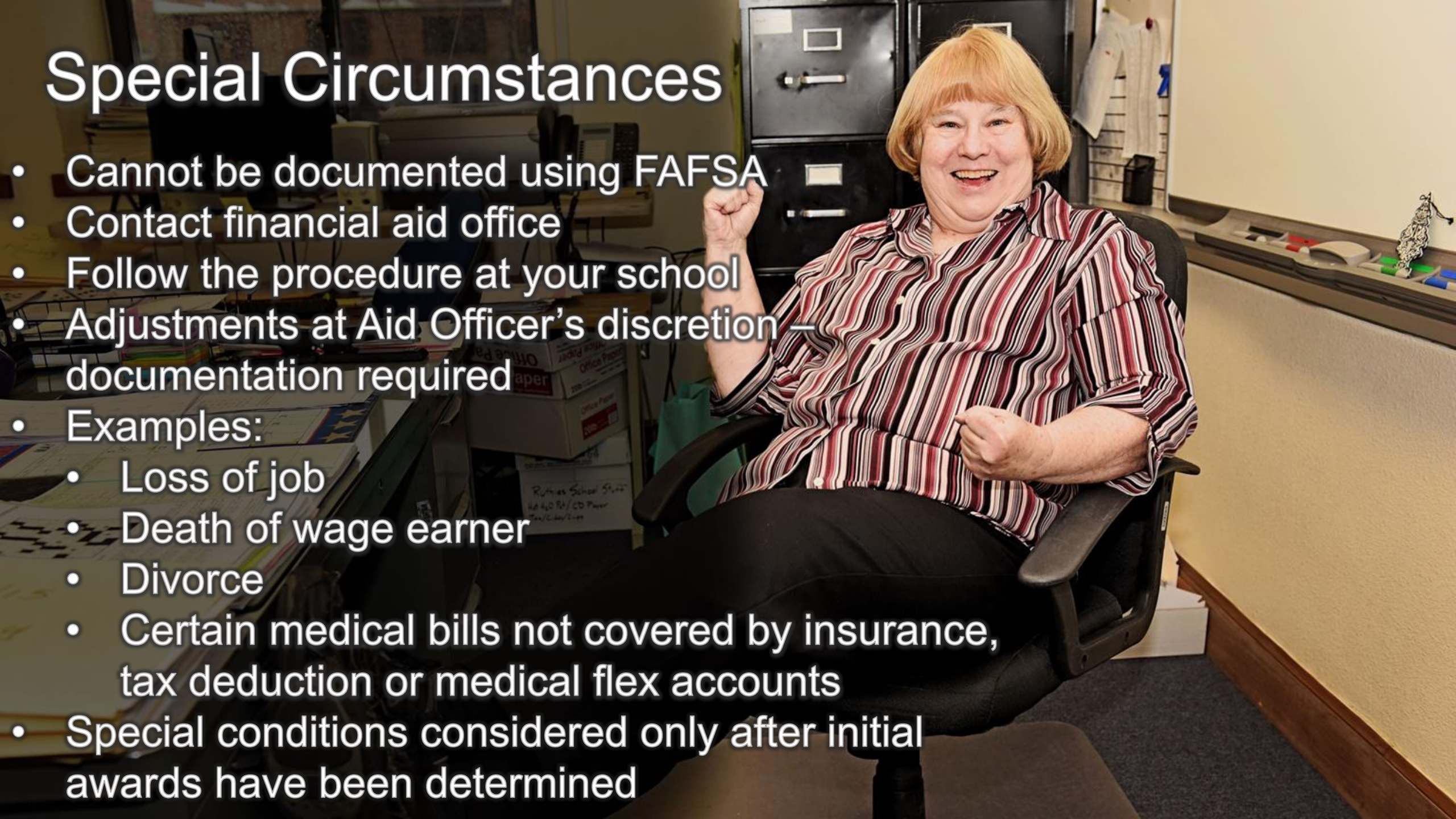
- The Prior Prior Year (PPY)
- No estimate necessary; taxes complete
- File beginning October 1, 2016 for fall 2017 (Sophomore year of college)

Transitional year only – after 2016, FAFSA completion starts October 1



Special Circumstances

- Cannot be documented using FAFSA
- Contact financial aid office
- Follow the procedure at your school
- Adjustments at Aid Officer's discretion – documentation required
- Examples:
 - Loss of job
 - Death of wage earner
 - Divorce
 - Certain medical bills not covered by insurance, tax deduction or medical flex accounts
- Special conditions considered only after initial awards have been determined





I'm feeling...

Confident

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Special Circumstances

Exceptions for dependency:

- Abandonment
- Abuse
- Neglect
- Student answers “no” to all dependency questions on FAFSA
- Marks “I will not provide parental data”
- Contact the financial aid office for assistance
- Document

Other Forms . . .

- CSS Profile
- Verification forms
- Admissions forms
- FERPA – Release
- Dorm Deposits
- Meal Plans
- Payment contracts



Other Resources College Goal Montana

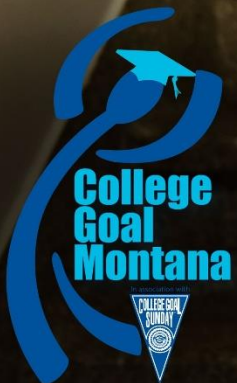
Get help completing the FAFSA in time for the March 1 priority filing date (Feb. 15 for U of M)

SmartAboutCollege.org
Click on "College Goal Montana" for an event near you

I'm feeling...

Reassured

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College Goal Montana HHS

- Get help with the FAFSA
- February 10th- 5:00 to 7:00 PM
- HHS Library
- Get your FSA-ID first!

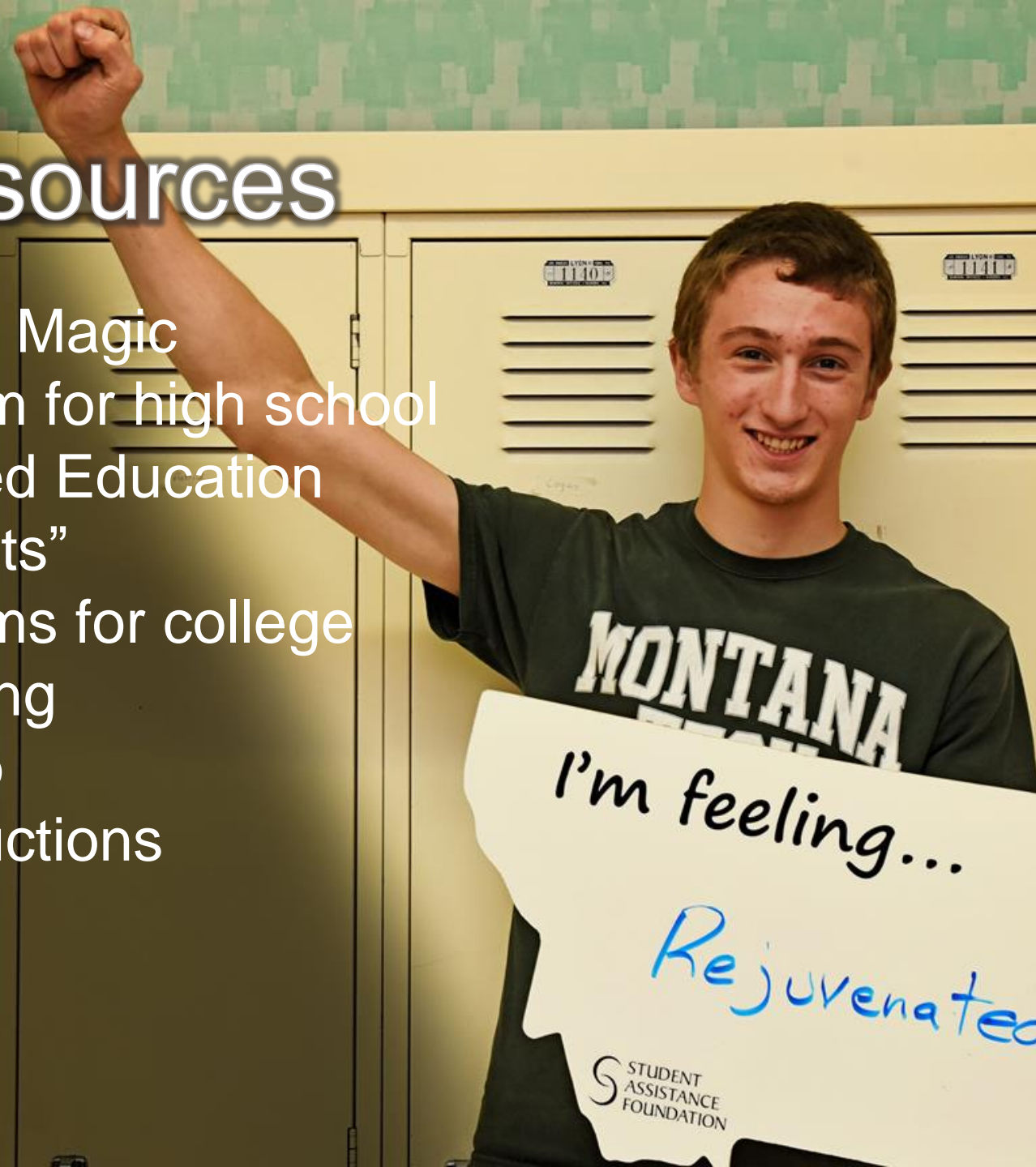
I'm feeling...

Relieved!

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Other Resources

- Montana Money Magic Savings program for high school
- MESA - “Matched Education Savings Accounts” Savings programs for college
- Tribal, BIA funding
- SRS/Voc-Rehab
- Tax credits/deductions



Montana Matched Education Savings

MESA Program	Savings Goal	Match Rate	Maximum Match
Carroll College	\$500	8:1	\$4,000
Gallatin College	\$500	4:1	\$2,000
Montana GEAR UP	\$500	5:1	\$2,500
Montana State University	\$500	3:1	\$1,500
Montana Tech - Ron Verbeck	\$500	5:1	\$2,500
Statewide MESA	\$500	5:1	\$2,500
University of Montana	\$500	3:1	\$1,500

To take full advantage of the program, participants should save \$500 to earn a full match at the end of the program.

What is Montana Money Magic?

Program goals:

Increase overall financial knowledge and understanding

Help participants reach their educational goals

Program Guidelines:

Financial Education program~ 16 hours of financial literacy

Match savings account-\$3:\$1 with a max of \$1350 in match

Student earn approximately \$64/hour to learn financial education

Other Questions to Ask

- Is this scholarship renewable? How?
- What is your priority date?
- Are there any other options for me?
 - Payment arrangements
 - Asking for additional funds
 - Asking for help

I'm feeling...

Reassured



How does the bill get paid?

I'm feeling...

optimistic and grateful

- Funds go to student's school account – not to student
- School charges paid first
- Federal aid is disbursed equally by semester/trimester (also most scholarships)
- Refund check/ACH/debit card issued if credit balance
- You pay if balance due
- Make a budget/make it last

Ready?

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DONE!

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