

# **Paying for College – the Basics of Financial Aid**

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# Agenda

- Financial Aid
- Cost of Attendance (COA)
- Expected Family Contribution (EFC)
- Financial Need
- Sources of Financial Aid
- Applying for Financial Aid
- Special Circumstances

# Financial Aid

- Grants & Scholarships
  - “Gift Aid”
  - Merit or Need-Based
- Loans & Employment Opportunities
  - “Self-Help Aid”
  - Need or Non-Need Based

# Cost of Attendance (COA)

## “The Budget”

- Determined by the college or university
- Direct costs
- Indirect costs
- Vary widely from college to college

# Cost of Attendance (COA)

- Tuition and Fees
- Room and Board
- Books and Supplies
- Transportation
- Personal Expenses
  
- computer, travel abroad, child care, etc.

# Cost of Attendance Comparison

	Private <sup>1</sup>	Public (SUNY) <sup>2</sup>	Community College <sup>2</sup>
Tuition & Fees	\$34,461	\$8,060	\$4,980
Room & Board	\$12,945	\$12,590	\$10,380
Books & Supplies	\$1,249	\$1,340	\$1,320
Transportation	\$1,033	\$1,080	\$1,280
Personal	\$1,628	\$1,560	\$1,160
<b>Total</b>	<b>\$51,316</b>	<b>\$24,630</b>	<b>\$19,120</b>

*1 – On Campus Student (College Board, Trends in College Pricing 2014, Middle States Averages)*

*2 – On Campus Student (SUNY Office of Student Financial Aid)*

# Financial Aid Philosophy

*In addition to the various types of aid available, the student and parent(s) are expected to contribute to paying for the overall Cost of Attendance.*

# Expected Family Contribution

## “The EFC”

- Amount family can reasonably be expected to contribute toward college costs
- Calculated by a federal formula using family income, asset, and household size information



# Expected Family Contribution

- Stays the same regardless of college
- Two components:
  - Parent Contribution
  - Student Contribution
- Not a bill!!!

# Financial Need

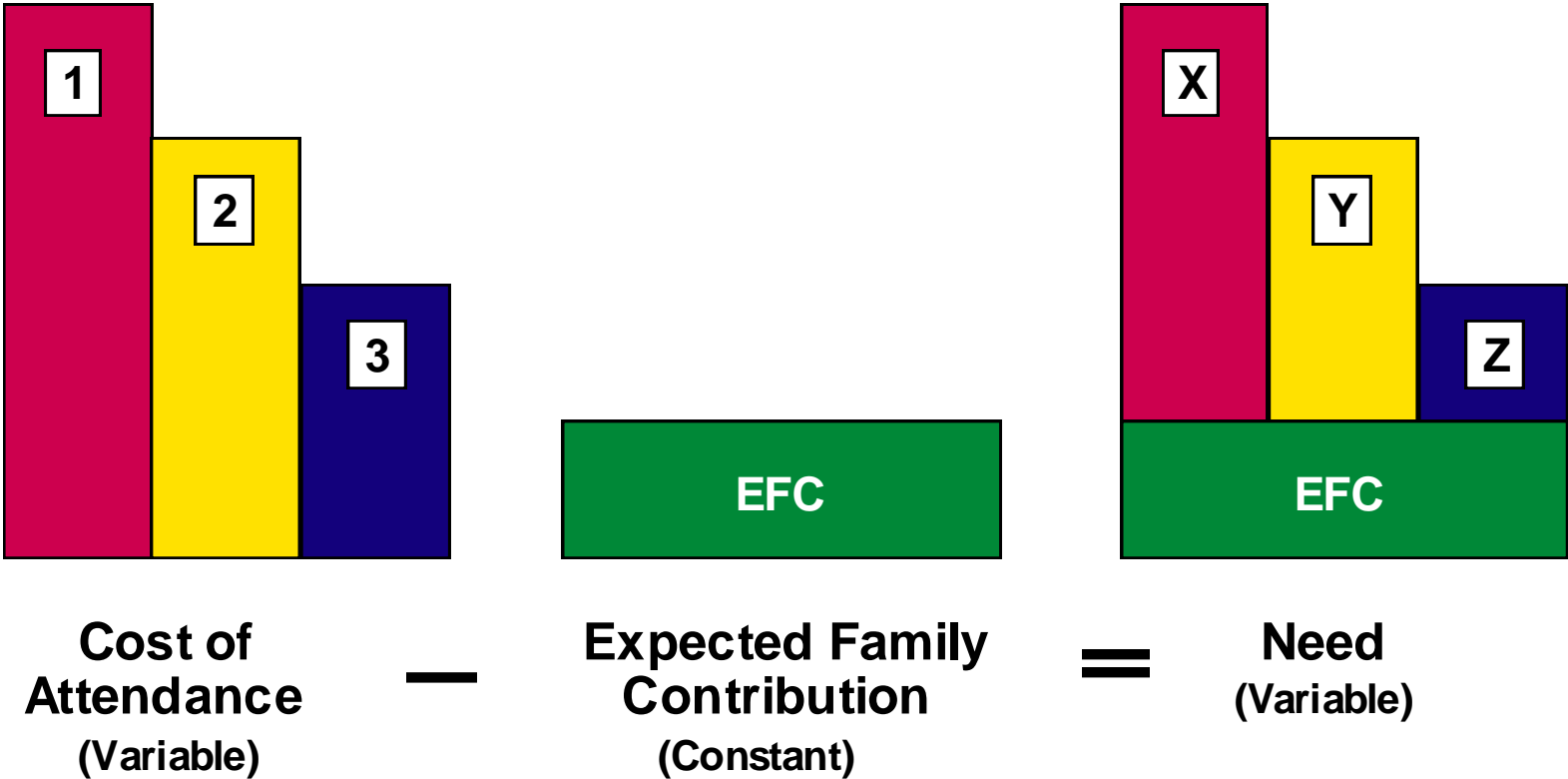
Cost of Attendance

– Expected Family Contribution

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= Financial Need

# Financial Need



# Financial Aid Awarding Philosophy

- Need-Based Aid
  - Awarded up to the student's need level
  
- Non Need-Based Aid
  - Awarded up to the difference between the cost of attendance and the offered need-based aid

# Need-Based Aid - Grants

- Federal Aid
  - Pell Grant
  - FSEOG
  - TEACH
- State Aid
  - TAP
  - NY STEM
- Private & Institutional

# Federal Pell & SEOG Grants

- Pell Grant (\$583 - \$5,815)
  - Awarded based on the EFC (\$0 - \$5,234)
  - Entitlement-based aid form
  
- SEOG (\$100 - \$4,000)
  - Awarded based on need
  - Campus-based aid form

# TEACH Grants

- Up to \$3,728 per year
- For students who intend to teach:
  - a high-need field
  - that serves students of low-income
- Four year service contract
- More information: [www.studentaid.ed.gov](http://www.studentaid.ed.gov)

# NY State Tuition Assistance Program

- New York Resident
- Attend New York College or University
- Award amount based on need and tuition charges (\$500 - \$5,165)
- Requires separate application



# NY Science, Technology, Engineering, & Mathematics Scholarship

- New York Resident
- Attend SUNY or CUNY School
- Award amount based on tuition charges minus other state aid (maximum \$6,470)
- Requires separate application

# NY Science, Technology, Engineering, & Mathematics Scholarship

- Enrollment in approved program
- Must be in top 10% of high school class
- 5 years employment in NY state in approved field
- Service contract required
- Can become unsubsidized loan

# Outside Grants and Scholarships

- Available from variety of sources
  - online searches
  - high school guidance office
  - local groups and organizations
  - employers

# Need-Based Aid - Student Employment

- Federal Work-Study Program
  - Awarded as a grant
  - Allows student to obtain job and work to earn up to the grant amount
  - Paycheck

# Self-Help Aid - Federal Loans

- Perkins Loans – Status Pending
  - Need-Based
- Stafford Loans (Direct)
  - Need or Non-Need Based
- Parents (PLUS) Loans (Direct)
  - Non Need-Based

# Federal Loans - Perkins

- \$5,500 maximum for undergraduates
- 5% fixed interest rate
- Subsidized with 9 month grace period
- Repayment period up to 10 years
- Campus-based aid form

# Federal Direct Student Loans

- Subsidized or Unsubsidized
- 3.76% fixed interest rate (UG - 2016-2017)
- 6 month repayment grace period
- Repayment period from 10 - 30 years
- One-time Origination Fee of 1.069%

# Federal Direct Student Loans

## Maximum Amounts:

1st Year: \$5,500 (\$3,500 max. subsidized)

2nd Year: \$6,500 (\$4,500 max. subsidized)

3rd Year: \$7,500 (\$5,500 max. subsidized)

4th Year: \$7,500 (\$5,500 max. subsidized)



# Federal Loans - PLUS

## Parents Loan for Undergraduate Students

- Fixed Interest Rate: 6.31% (2016-2017)
- One-time Origination Fee of 4.276%

# Federal Loans - PLUS

- Repayment begins 60 days after loan is fully disbursed
- Maximum annual amount equal to Cost of Attendance minus all other aid
- Dependent on credit!!! (No adverse credit)

# Applying for Financial Aid

- FAFSA (Free Application for Federal Student Aid)



- ETA (Express Tap Application)



- Supplemental & Institutional Applications



# FAFSA

- Main federal aid application
- Available in online and paper formats
- Collects income, asset, and household size information
- Apply as soon as possible after October 1
- Use 2015 Tax Return

# What You Report – Student and Parent(s)

- Income and Taxes Paid
- Child Support (paid or received)
- Non-Retirement Investments
- Cash, Savings, Checking
- Business/Real Estate Net Worth
- Number in Household and College

# What You Don't Report

- Retirement Investments
- Value of Home or Amount of Mortgage
- Value of Car
- Debt
- Resident Farm

# Who Counts as a Parent

- Biological Parents Living Together
- Divorced/Separated:
  - Biological parent who provides most support
  - That parent's new spouse, if remarried
- Adoptive Parent(s)

# FAFSA - <http://www.fafsa.gov>

Federal Student Aid  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of  
the AMERICAN MIND™

FAFSA™  
Free Application for Federal Student Aid



Home



About Us



PIN Site



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**



# FAFSA – FSA ID

<https://fsaid.ed.gov>

- 2 FSA IDs Needed
- Can be requested anytime

E-mail  ?

Confirm E-mail  ?

Username \*  ?

Password \*  ?

Numbers  Uppercase Letters  Lowercase Letters  Special Characters  8-30 Characters  Show Text

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.

# IRS Data Import

- Import necessary tax information
- Active “Opt-In” Process
- Highly Recommended!
- Simplifies Verification Process!

# IRS Data Import

For 2012, have you completed your IRS income tax return or another tax return?

Already completed 



You may be able to use the [IRS Data Retrieval Tool](#) to view and transfer your tax information from the IRS.

Did you or your spouse file as Married Filing Separately?

Yes  No

Did you or your spouse file as Head of Household?

Yes  No

Did you file an amended tax return?

Yes  No

Did you file a Puerto Rican or foreign tax return?

Yes  No

Did you file your taxes electronically in the last 3 weeks (or by mail in the last 8 weeks)?

Yes  No

PREVIOUS

NEXT

# IRS Data Import



[Log Out](#) | [Help](#)

## Get My Federal Income Tax Information

See our [Privacy Notice](#) regarding our request for your personal information.

Enter the following information as it appears on your <2008> Federal Income Tax Return. [?](#)

Required fields\*

First Name*	<input type="text" value="Joe"/>
Last Name*	<input type="text" value="Smith"/>
Social Security Number*	*** - ** - 6789
Date of Birth*	<input type="text" value="01"/> / <input type="text" value="04"/> / <input type="text" value="1990"/>
Address* <a href="#">?</a> P.O. Box and/or Street Address	<input type="text"/> <input type="text"/>
Apt. Number (Required if it appears on your tax return)	<input type="text"/>
Country*	<input type="text" value="United States"/> <a href="#">v</a>
City, Town or Post Office*	<input type="text"/>
State/U.S. Territory*	<input type="text" value="Select One"/> <a href="#">v</a>
ZIP Code*	<input type="text"/>
Filing Status*	<input type="text" value="Select One"/> <a href="#">v</a>


By submitting this information, you certify that you are the person identified. Use of this system to access another person's information may result in civil and criminal penalties.



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# IRS Data Import


Return to FAFSA | Log Out | Help

[Español](#)

## Student 2012 Federal Income Tax Information

The information below is your tax information that will help you answer some of the questions on the FAFSA.

	My Tax Information	FAFSA Question Numbers <span style="font-size: small;">?</span>
Tax Year	2012	
Name(s)	[REDACTED]	
Social Security Number	[REDACTED]	
Filing Status	Married-Filed Joint Return	
Type of Tax Return Filed	1040A	Question 33 on the FAFSA
Adjusted Gross Income	\$32,376	Question 35 on the FAFSA
Income Earned From Work <span style="font-size: small;">?</span>	\$32,376	Your filing status indicates you may need to split this amount and enter it in two places on the FAFSA. Student: Question 38 on the FAFSA and/or Spouse: Question 39 on the FAFSA
Income Tax	\$0	Question 36 on the FAFSA
IRS Exemptions	2	Question 37 on the FAFSA
Education Credits	\$1,288	Question 43a on the FAFSA
IRA Deductions and Payments	\$0	Question 44b on the FAFSA
Tax-Exempt Interest Income	\$0	Question 44d on the FAFSA
Untaxed IRA Distributions <span style="font-size: small;">?</span>	\$0	Question 44e on the FAFSA
Untaxed Pensions <span style="font-size: small;">?</span>	\$0	Question 44f on the FAFSA

Print this page for your records before choosing an option below.

**Transfer My Tax Information into the FAFSA ?**

The tax information provided above will populate the answers to the appropriate FAFSA questions. After the FAFSA is populated your IRS session will end and you will return to your FAFSA. Check this box if you are choosing to transfer your information.

[Transfer Now](#) ?

**Do Not Transfer My Tax Information and Return to the FAFSA ?**

By clicking the "Do Not Transfer" button, you are choosing not to transfer your tax information electronically. Your IRS session will end and you will return to your FAFSA. You may still use this tax information to input the data into your FAFSA.

[Do Not Transfer](#) ?

# Prior–Prior Year Data (PPY)

- Ummm....what?
- Effective 2017-2018 School Year
- FAFSA completed with tax info from PPY
- Asset and household info from current year

# Prior–Prior Year Data (PPY)

School Year	Tax Data	FAFSA Available
2015-2016	2014	January 1, 2015
2016-2017	2015	January 1, 2016
2017-2018	2015	October 1, 2016
2018-2019	2016	October 1, 2017

# Express Tap Application

[www.hesc.com](http://www.hesc.com) or [www.tapweb.org/totw](http://www.tapweb.org/totw)

- Application for NY State Grant Program
- Available in online and paper formats
- Complete with FAFSA



# Supplemental & Institutional Applications

- Check with each school for additional requirements
- CSS Profile (College Board)
- Unique Institutional Applications

# SUNY Financial Aid Days

- October 15, 2016
- November 12, 2016

Look for more information:

[www.suny.edu/studentevents](http://www.suny.edu/studentevents)

# Application Processing

- FAFSA and TAP results sent to student and all listed colleges
- Colleges create and provide aid packages

# Frequent Application Issues

- Social Security Numbers
- Divorced/remarried parental information
- Untaxed income
- U.S. income tax paid

# Frequent Application Issues

- Household size
- Number of household members in college
- Real estate and investment net worth
- Dependency Status

# Special Circumstances



- Cannot report on FAFSA
- Send explanation to financial aid office at each college
- College will review special circumstances
  - Request additional documentation
  - Decisions are final and cannot be appealed to U.S. Department of Education

# Special Circumstances

- Change in employment status
- Medical expenses not covered by insurance
- Change in parent marital status
- Unusual dependent care expenses

# What Does It All Mean?

## Understanding Your Financial Aid Award Compare Budget to Aid

<b>Costs</b>		<b>Aid</b>
Tuition & Fees	XXX	Scholarships
Room & Board	XXX	Grants
Books & Supplies	XXX	Loans
Personal & Trans	XXX	Work-Study
<b>TOTAL COSTS</b>		<b>TOTAL AID</b>



# What Does It All Mean?

## Things to Consider

- Compare Bottom Line Cost
- Compare Gift Aid/Self-Help Aid Ratio
- Consider Amount of Work-Study Award
- Review Scholarship and Grant Criteria
- Investigate Outside/Private Funding

# Thank You!

