



FINANCIAL AID: NATIONAL LANDSCAPE & REGULATORY UPDATES

MASSACHUSETTS EDUCATIONAL FINANCING AUTHORITY

Current National Environment

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Current News

- Gainful Employment regulations, which make career-training programs prove that graduates can find jobs, will likely become less strict
- Borrowers who formerly had loans forgiven when schools used deceptive tactics to get them to borrow, will have a harder time getting forgiveness
- New tax bill's limit on state income tax deductions may pressure states to lower own taxes, and then give less money given to state colleges
- PROSPER Act recommends significant changes in financial aid funding

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PROSPER Act

- A bill to reauthorize the Higher Education Act
- Still needs approval from Congress (a very big step)
- Details:
 - Pell Grant bonus for students who enroll in at least 15 credits
 - Increase in student federal loan limits from \$5,500 to \$7,500
 - Federal loan limits on how much graduate students & parents could borrow
 - More funds for undergraduate work-study
 - Federal aid distributed in bi-weekly allotments
 - Federal loan repayment options reduced from 8 plans to 2
 - Removal of Public Service Loan Forgiveness for new borrowers
 - Much more

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Tax Bill for 2018

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What Changed?

- Up to \$10,000 can be withdrawn from a 529 plan for K-12 private school expenses
- Loan forgiveness due to death or disability: no longer taxed
- Interest on home equity loans will no longer be deductible
- No more exemptions for dependents; instead, a higher standard deduction and child tax credit



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What Didn't Change?

- American Opportunity Tax Credit (AOTC)
- Lifetime Learning Credit (LLC)
- Tax exemption for graduate student tuition waivers
- Student loan interest deduction



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Applying for Financial Aid

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Financial Aid Reminders

- Deadlines and application requirements are **IMPORTANT**
- Most applications are due in Feb or March, before the admissions decisions are mailed
- Use online options whenever possible
- Apply every year



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Who's Eligible for Federal & State Aid?

- U.S. citizens and eligible non-citizens
- Not Eligible: Undocumented Students (including DACA)
 - In-state tuition in MA for DACA students
 - Scholarship opportunities
 - MEFA recorded webinar on Counselor Trainings & Events page: Connecting Undocumented Students to College Access Opportunities
- Males 18-25 must register for Selective Service (defined as male at birth)
- For students enrolled in degree or certificate programs:
 - If admitted to program and it includes remedial coursework, can receive aid for one year of remedial work
 - If taking prep coursework necessary for enrollment, can receive Direct Loan for one year

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FAFSA Important Information

- Available date of October 1st
- Asks for income information from two years prior
 - 2018-19 FAFSA asks for 2016 income information
- IRS Data Retrieval Tool
 - Available, but user will not see tax figures on screen
- Asset information still reported as current values
- Demo site: <http://fafsademotest.ed.gov/>
 - Username: eddemo
 - Password: fafsatest
- Going mobile in 2019-20!

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The FSA ID

- A Login: Username & Password
- FSAID.ed.gov
- Provide personal information and answer challenge questions
- Must have a Social Security number to get one
- **Student:** needs one to complete and sign the FAFSA
 - Permanent Residents must get an SSN
- **Parent:** needs one to sign the FAFSA electronically
 - Parents without an SSN can still sign a signature page
- Significant date is now an optional field
- Mobile text sent for forgotten username & password

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CSS Profile™

- Opened Oct 1st; cssprofile.org
- Many changes this year
- Registration section removed
- Left-hand sidebar shows every section
- List all parents (up to 4)
- Noncustodial parents and spouse will complete a separate Profile
- Profile like FAFSA asks for 2016 income information
 - Does also ask for less-detailed 2017 and 2018 income estimate
- Cost to submit, though fee waivers are given
- New student dashboard shows application status
- Customer service numbers
 - PROFILE: 844-202-0524; IDOC: 866-897-9881
- PROFILE webinar recording on mefa.org/events



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Unaccompanied Homeless Youth

- Unaccompanied = without a parent
- Homeless = lacking fixed, regular, and adequate nighttime residence
 - Sharing housing due to economic reasons
 - Living in hotels/motels/trailer parks/campgrounds
 - Living in shelters
 - Awaiting foster care placement
- Qualify as an independent student on the FAFSA
- AP fee reduction
- SAT, ACT, and college application fee waivers
- *Single Point of Contact (SPOC)*: college admin helping homeless youth

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Dependency Overrides

Students who do *not* qualify:

- Parents refuse to financially contribute or provide data
- Parents do not claim the student as a tax dependent
- Student demonstrates total self-sufficiency

Students who *may* qualify:

- Abusive household
- Abandonment
- Parents' whereabouts unknown
- Parents' extended hospitalization
- Incarceration or institutionalization of both parents
- Parents lacking the physical/mental capacity to raise the child



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Financial Aid Next Steps

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Parent Loans in Financial Aid Awards

COA: \$30,000 EFC: \$5,000 Total Need: \$25,000

	College A	College B	College C
Grants/Scholarships	\$15,000	\$5,000	\$0
Student Loans	\$5,500	\$5,500	\$5,500
Parent Loan	\$0	\$10,000	\$16,500
Work-Study	\$1,500	\$1,500	\$0
Total	\$22,000	\$22,000	\$22,000
Unmet Need	\$3,000	\$3,000	\$3,000

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Appeals

Requests for additional funds, either due to insufficient financial aid or changes in circumstance

Submit to the Financial Aid Office:

- Letter of explanation
- Documentation (bills, financial statements, medical records, layoff notices, final paystubs)
- Summary of current financial plan

- Negotiation versus Appeal

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Federal Financial Aid Updates

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Pell Grant

- Lifetime limit of 12 semesters or equivalent
- Beginning in 2017, students could again receive summer Pell
- Maximum amount for 2017-18: \$5,920 (0 EFC)
- Minimum amount for 2017-18: \$606 (\$5,328 EFC)
- Amounts for 2018-19 will likely be the same



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Federal Student Loans

Federal Direct Student Loans

- Fixed interest rate: begins every July 1 based on 10-yr T-note
 - 2017-18 Undergrad Direct Loan: 4.45% (Sub & Unsub)
 - 2017-18 Grad Direct Loan: 6%
 - 2017-18 PLUS Loan: 7%
- New loan fees as of 10/1/16:
 - Direct Undergrad & Grad Loan: 1.066%
 - PLUS Loan: 4.264%

Federal Perkins Loans

- No more loans awarded after the 2017-18 academic year
- Program has been discontinued

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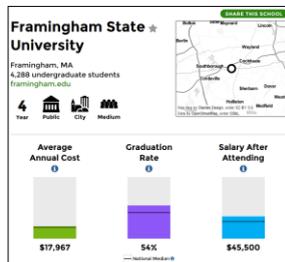
Department of Education Resources



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College Scorecard

- Compare colleges:
 - Average net price
 - 6-year graduation rate
 - Student debt info
 - Median alumni salary
- Dept of Education just released corrected repayment rate data
- CollegeScorecard.ed.gov



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College Navigator

- Online college search tool
- Includes: admissions info, academics, graduation rate, average net price, loan default rate
- Can save a search and return to it later
- CollegeNavigator.gov



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Financial Aid Shopping Sheet

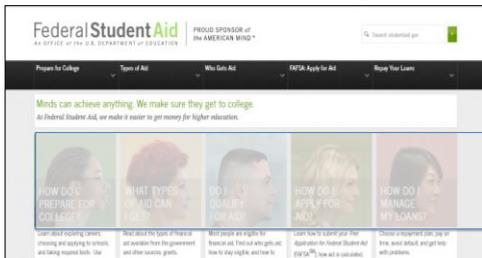
- Provides institution's cost and student's financial aid
- Intended to illustrate net price (for comparison)
- School data: grad rate, loan default rate, median borrower debt
- Includes a glossary
- Used by over 3,200 institutions



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StudentAid.gov

- Full of information on all federal financial aid programs
- 1-800-4-Fed-Aid



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Department of Education Blog

- Helpful information on financial aid and paying for college
- Sample posts:
 - 12 Common FAFSA Mistakes
 - 8 Ways to Get the Most Out of Your College Experience
 - How Do Schools Calculate Your Financial Aid?
- Blog.ed.gov
- Subscribe to ED's Daily Digest Bulletin to stay informed

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StudentLoans.gov

- Loan Counseling Demos focus on:
 - Understanding your loans
 - Managing your spending & creating a plan to repay
 - Avoiding default
 - Making finances a priority
- Repayment Estimator with or without login
- Students with loans can log in for personalized info



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Financial Aid Toolkit

- Tool for counselors and educators
- Financial aid information, outreach tactics, & resources
- FinancialAidToolkit.ed.gov



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Other Resources for Families

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Net Price Calculators

- Online tool – on each college’s website
- Questions about finances and academics
- Displays federal & institutional aid
- Provides personal, estimated net college price
- Output is only as accurate as the data entered
- Merit-based aid may be calculated



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FAFSA Day Massachusetts

Free assistance completing the FAFSA

- 9 locations remaining across Massachusetts
- Dates from Jan 28th through Feb 24th
- All information listed at masfaa.org/fafsa-day



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After the College Acceptance Seminar

- Provides assistance and clarity on:
 - Financial aid awards
 - College bill
 - Payment plans
 - College loans
 - What to ask the Financial Aid Office
- Locations across MA in March & April
- MEFA emails will provide details



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- Information
- Videos
- Webinars
- Calculators
- Links
- Events Calendar

How can we help you?
 We have the expertise of advisors and counselors to help you succeed.

Plan with our expert guidance | Save with affordable, relevant programs | Pay with flexible payment options

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MEFA Counselor Webinars

**Register and find recorded webinars at:
mefa.org > For Counselors > Training and Events**

- Counseling Families with Unique Circumstances
 Tues, Jan 30, 2018 @ 10am
- Introduction to MEFA Pathway – Student Features & Counselor Tools
 Thurs, Feb 15, 2018 @ 10am
 Wed, Mar 14, 2018 @ 1pm
 Tues, Apr 10, 2018 @ 2pm
- Helping Families Understand Financial Aid Award Letters
 Tues, April 3, 2018 @ 10am

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MEFA Family Webinars

All webinars are at 10am

College Admissions:	Thursday, 2/15/18
After the College Acceptance:	Friday, 3/2/18 Tuesday, 4/10/18
Managing Student Loan Repayment:	Friday, 4/6/18
The Power of the U.Plan:	Friday, 5/18/18
Comparing College Loan Options:	Wednesday, 6/6/18 Tuesday, 7/10/18

Families can register & watch recorded webinars at mefa.org/events

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Questions?

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