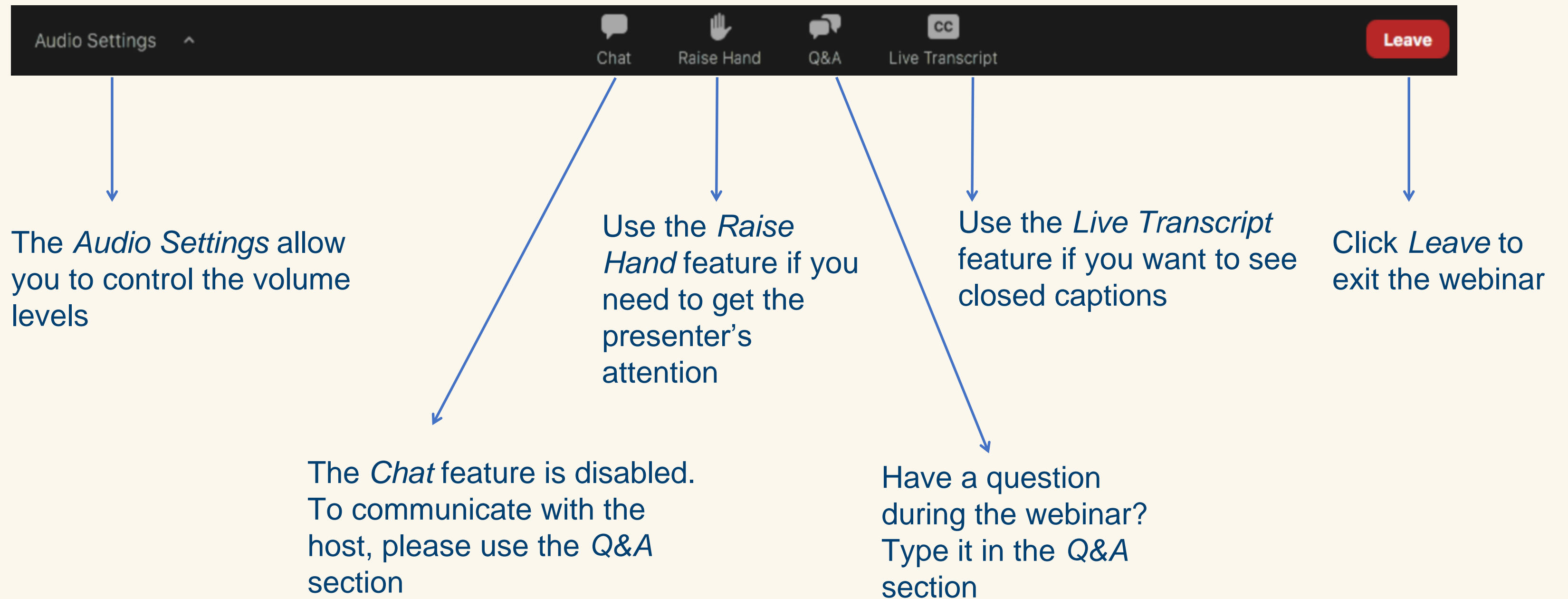




# Financial Aid 101 for School Counselors

A MEFA Institute Webinar

## How to Participate





About MEFA

Not-for-profit state authority  
created in 1982 helping  
families plan, save, and  
pay for college





## Webinar Topics

- Types & Sources of Financial Aid
- The Application Process
- How Financial Aid Decisions Are Made
- Paying for College
- Free Resources



**Financial Aid 101:**

# **TYPES AND SOURCES OF FINANCIAL AID**

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## What is Financial Aid?

Financial aid is money to help students pay for college

- 3 main types:
  - Grants and scholarships (gift aid)
  - Federal work-study
  - Federal student loans

## Sources of Financial Aid

### Federal

- Grants, work-study, loans, tax incentives
- [StudentAid.gov](https://studentaid.gov)

### Massachusetts

- Grants, scholarships, tuition waivers, loans
- [mass.edu/osfa](https://mass.edu/osfa)

### College/University (institutional aid)

- Grants, scholarships, loans

### Other Agencies

- Scholarships: Found through sites like [mefapathway.org](https://mefapathway.org) and [fastweb.com](https://fastweb.com) and through school counselors

## Federal Direct Student Loans

- Student is the sole borrower
- No credit check
- Subsidized and Unsubsidized
- 4.99% fixed interest rate for 2022-23
- Repayment:
  - No payments due while enrolled
  - Multiple options (many tied to income)
  - Total borrowed for 4 years: \$27,000 max
  - Estimated payment: \$300/month for 10 years
  - Estimated total debt: \$32,000-\$34,000
  - Deferment, forbearance, and forgiveness opportunities

Annual Loan Limits	
Freshman Year	\$5,500
Sophomore Year	\$6,500
Junior Year	\$7,500
Senior Year	\$7,500





## Merit-Based Aid

- Awarded in recognition of student achievements (academic, artistic, athletic, etc.)
- Might have renewable requirements or not be renewable
- Not offered at every college; check each college's website for details
- Separate application sometimes required
- Application deadline may be as early as November





## Need-Based Aid

- Based on family's financial eligibility ("need")
- Eligibility determined by a standardized formula
- Includes grants, loans, and work-study
- Most financial aid is need-based
- Must be making satisfactory academic progress



Financial Aid 101:

# THE APPLICATION PROCESS

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## Financial Aid Timeline

- Check deadlines and required applications on each college's website in September
- Early action/decision deadlines are often in October or November
- Standard deadlines are typically in February or March
- SUBMIT APPLICATIONS ON TIME
- Use MEFA's College Application Manager to stay organized
  - [mefa.org/college-application-manager](https://mefa.org/college-application-manager)



- Free Application for Federal Student Aid (FAFSA)
- Required by all colleges
- Becomes available October 1st: [fafsa.gov](https://fafsa.gov)
- Log in with an FSA ID: [fsaid.ed.gov](https://fsaid.ed.gov)
  - Both student and parent need one!
- IRS Data Retrieval Tool: Pull in federal tax data
- *Understanding the FAFSA* webinar
- MUST BE COMPLETED EVERY YEAR



A young woman with dark hair tied back is sitting at a wooden desk in a library, looking at a laptop. Behind her are tall wooden bookshelves filled with books. The scene is brightly lit, likely from natural light coming from the right. A green geometric shape is partially visible in the top left corner.

## What's Reported on the FAFSA?

### GENERAL INFORMATION

- Student citizenship status
  - Non-citizen parents:
    - Use zeros for SSN
    - Print signature page to sign (cannot get FSA ID)
- Colleges where student is applying (each one will receive the FAFSA data)
- Parents
  - Married, including same-sex parents
  - All parents who live together, married or not
  - Divorced/Separated: custodial parent & current spouse
  - Legal guardians are NOT a parent
- # in household, # of children in college





Additional info reported on the  
FAFSA

## FINANCIAL INFORMATION

- Parent and student income (2021 income for the 2023-24 FAFSA)
  - Both taxed and untaxed
- Parent and student assets
  - Include: savings, checking, investments, other property
  - Include: all 529 accounts as a parent asset
  - Do not include: primary home, value of retirement, life insurance, value of small family business
- Debt is not reported except debt on reported assets

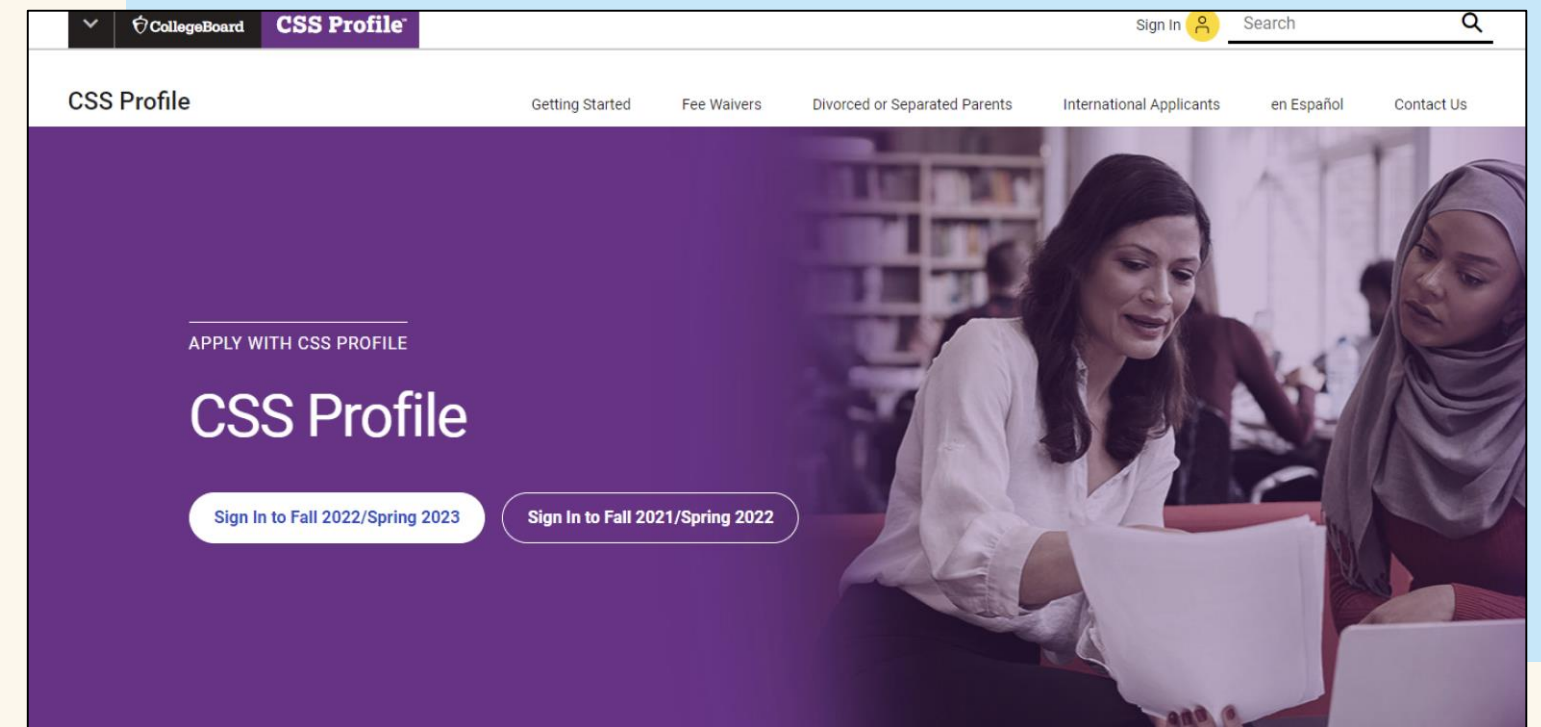
## Other Financial Aid Applications

### CSS Profile™

- [cssprofile.org](https://cssprofile.org)
- Required by some colleges and universities
- \$25 for 1st school, \$16 for each additional
- Fee waivers if parent income is \$100k or less or family meets certain other criteria
- Becomes available October 1st
- Noncustodial parent submits a separate profile
- *What to Know About the CSS Profile* webinar

### College Financial Aid Application

- Required by some colleges and universities







## After You Apply

1. Colleges & state receive data electronically
2. Student will receive Student Aid Report (SAR) by mail or email
3. Contact the Financial Aid Office with any special circumstances
4. Colleges may request Federal Verification documents. The financial aid application is incomplete until students submit these documents.
5. Colleges review applications and determine the financial aid offer

## Verification

- Colleges verify data on financial aid applications
- Students selected by Department of Education or college
- Must comply with all requests to receive financial aid
- Families must submit additional documentation:
  - Tax Return
  - Verification Worksheet
  - Asset Account Statements
- Review all correspondence from colleges
- Log into college web portal for communications





## Financial Aid Office

### Students Can Learn About Their Financial Aid

- Financial aid renewability criteria (financial, academic)
- How will a private scholarship affect the financial aid offer?
- How will 2024-25 FAFSA changes affect the financial aid?

### Ask About Special Considerations

- Changes in family circumstances
- Appeal opportunities

### How to Contact the Financial Aid Office

- Phone call
- Email
- Chat (if offered)

**Financial Aid 101:**

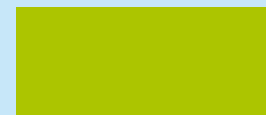
# **HOW FINANCIAL AID DECISIONS ARE MADE**

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## Cost of Attendance (COA)

COA = Total Expenses for  
One Year of College



= Billed or Direct Expenses



= Non-Billed or Indirect Expenses

Tuition & Fees

+

Room & Board

+

Books & Supplies

+

Transportation

+

Personal Expenses



## Expected Family Contribution (EFC)

- Amount family has ability to absorb for 1 year of college costs
- Same federal formula used for every family
- Some colleges also use an institutional EFC formula
- Family has the primary responsibility for paying
- Not necessarily what the family will pay
- Lowered if family has more than 1 child in college
- EFC Calculator on [mefa.org](https://mefa.org)



## Financial Aid Formula

Colleges fill in  
Financial Aid  
Eligibility with  
financial aid from  
all sources

Cost of Attendance (COA)

-

Expected Family Contribution (EFC)

=

Financial Aid Eligibility

# Financial Aid Awarding

College  
Cost of Attendance  
\$45,000

Unmet need and EFC  
is the FAMILY's  
responsibility

Unmet Need	\$5,000
Work-Study	\$2,000
Student Loans	\$5,500
Grant Scholarship	\$17,500 \$10,000
EFC	\$5,000





## Net Price Calculators

- Online tool found on each institution's website
- Asks questions about family finances & student academics
- Provides personal, estimated net college price
- Displays federal & institutional aid
- Merit-based aid may also be included

Offer Letters: Totals Can Vary

College  
Cost of Attendance

\$45,000

Expected Family  
Contribution

\$5,000

Total Eligibility

\$40,000

	College A	College B	College C
Grants/Scholarships	\$32,500	\$25,500	\$17,500
Student Loans	\$5,500	\$5,500	\$5,500
Work-Study	\$2,000	\$2,000	\$2,000
Total	\$40,000	\$33,000	\$25,000
Unmet Needs	\$0	\$7,000	\$15,000



Offer Letters: Types Can Vary

College Cost of Attendance	\$45,000
Expected Family Contribution	\$5,000
Total Eligibility	\$40,000

	College A	College B	College C
Grants/Scholarships	\$27,500	\$17,500	\$0
Student Loans	\$5,500	\$5,500	\$5,500
Parent Loans	\$0	\$10,000	\$29,500
Work-Study	\$2,000	\$2,000	\$0
Total	\$35,000	\$35,000	\$35,000
Unmet Needs	\$5,000	\$5,000	\$5,000

Financial Aid 101:

# PAYING FOR COLLEGE

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# Filling EFC and Unmet Need

EFC = Expected Family Contribution

Balance Due:		\$20,000
Past Income (Savings)		
Student Savings		-\$1,000
Parent Savings		-\$4,000
Present Income (Current Wages)		
Parent Contribution to Payment Plan		-\$5,000
Future Income (Borrowing College Loans)		
Education Loan		-\$10,000
		\$0



## Important Kitchen Table Conversations

- Would starting at community college save significant \$?
- Consider the number of children the family is sending to college
- Think in terms of total enrollment (4+ years) and total debt
- Calculate the post-graduation monthly loan payment
- Research the potential starting salary for the intended career
- Is the student considering graduate school?
- Know the parent's credit score if the family is planning to borrow a private loan
- Compare each school's net price after financial aid offers are received



## MassTransfer

- Makes transfer from community college to a 4-year public MA college more affordable
- Benefits include guaranteed credit transfer, tuition credit, & freeze on tuition
- [mass.edu/masstransfer](https://mass.edu/masstransfer)

## Tuition Break

- Reduction on out-of-state tuition costs at New England schools for certain programs
- [nebhe.org/tuitionbreak](https://nebhe.org/tuitionbreak)



**Financial Aid 101:**

**FREE RESOURCES**

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## National and Community Resources

### FAFSA Day

- Free assistance completing the FAFSA
- Events held Oct-Feb
- Offered in both English and Spanish
- Register at [FAFSADay.org](https://FAFSADay.org)

### Educational Opportunity Centers

- Free financial aid help
- [MassEdCO.org](https://MassEdCO.org)

# Staying on Track Through Senior Year

## Spring/Summer Junior Year

- Research Colleges
- Visit campuses and college fairs
- Ask teachers for letters of recommendation
- Take the SAT/ACT
- Start writing the college essay

## Fall Senior Year

- Retake the SAT/ACT
- Secure letters of recommendation
- Finalize the college essay(s)
- Attend MEFA's *Financial Aid 101* webinar
- Complete all admissions applications
- Submit financial aid applications

## Winter Senior Year

- Submit admissions applications
- Submit financial aid applications
- Apply for private scholarships
- Send in mid-year grade reports

## Spring Senior Year

- Receive admissions and financial aid offers
- Attend MEFA's *How to Pay for College: A Guide for High School Seniors & Families* webinar
- Attend college open house programs
- Choose your college by May 1<sup>st</sup>

View an extended timeline at: [mefa.org/college-admissions-and-financial-aid-timeline](https://mefa.org/college-admissions-and-financial-aid-timeline)





## What Students Can Do Now

- Get an FSA ID for the student and parent
- Research deadlines and required applications
- Read financial aid blog posts at [mefa.org/blog](https://mefa.org/blog)
- Reference MEFA's *Timeline for College Admissions and Financial Aid* on [mefa.org](https://mefa.org)

Connect with MEFA on Social Media

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 [youtube.com/MEFAcounselor](https://youtube.com/MEFAcounselor)

 [mefa.org/mefa-podcast](https://mefa.org/mefa-podcast)





Thank You

QUESTIONS?

Call (800)-449-MEFA (6332)  
or email [collegeplanning@mefa.org](mailto:collegeplanning@mefa.org)

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