



About MEFA

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

Keeping you on track with FREE college planning:

- Visit mefa.org: Information, tools, & resources
- Call us: (800) 449-MEFA (6332)
- Email us: collegeplanning@mefa.org
- Follow us: Facebook, Twitter, & LinkedIn
- Get our emails: Sign up on mefa.org
- Attend a seminar: [Details at mefa.org/events](http://Details.at.mefa.org/events)
- Attend a webinar: [Register at mefa.org/events](http://Register.at.mefa.org/events)

Welcome

Congratulations on your college acceptances, students and parents!

This Seminar Will Help You...



Merit-Based vs. Need-Based Aid

Merit-Based Aid

- Awarded in recognition of student achievements (academic, artistic, athletic, etc.)
- Criteria differs from school to school
- Often has requirements for renewal



Need-Based Aid

- Awarded based on family's financial eligibility
- Determined by standardized formula
- Very likely not to receive full amount of eligibility
- Includes most federal, state, and institutional (college) aid



Understand Your Financial Aid Offers

- Types of aid:
 - Grants/Scholarships
 - Work-study
 - Loans
- Sources of aid:
 - Federal
 - State
 - Colleges

Financial Aid Offer			
You are eligible to receive the following assistance:			
	Fall	Spring	Total
ABC University Grant	17,995	17,995	35,990
Federal SEOG	500	500	1,000
Federal Pell Grant	2,960	2,960	5,920
MASSGrant	800	800	1,600
Federal Work-Study Program	750	750	1,500
Federal Direct Subsidized Loan	1,750	1,750	3,500
Federal Direct Unsubsidized Loan	1,000	1,000	2,000
Total	\$25,755	\$25,755	\$51,510

- Financial aid offers look different!
- Accept all or part by college deadline (May 1st or later: check college website)

Federal Direct Student Loans

- Student is the borrower – no credit check
- Fixed interest rate changes annually: 4.529% for 2019-20
- Two types:
 - Subsidized: Interest accrues after student leaves school
 - Unsubsidized: Interest accrues immediately
- 1.059% fee deducted from loan amount
- Promissory Note & Entrance Counseling: StudentAid.gov
- No payments while in school and several repayment options

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



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 Transcript
 - Verification Worksheet
 - Asset Account Statements
- Review all correspondence from colleges
- Log into college web portal for communications



If You Have Not Applied for Aid

Federal & state financial aid is **still** available by filing the FAFSA. The Massachusetts deadline is May 1st



Many college financial aid deadlines have passed. But payment plans are open to all, and anyone may apply for private loans.

A Word About the Waitlist

- Some schools have a very long list and never accept a student from it
- Those accepted off the waitlist may receive minimal financial aid
- Remember to submit an enrollment deposit at another school (usually non-refundable)



Steps to take when on the waitlist:

1. Formally accept your spot on the waitlist
2. Write a short note to the admissions counselor
3. Update the school with recent grades and awards
4. Keep in touch with the school over social media

Calculating the Balance Due

College charges

- Financial aid & enrollment deposit
- = Balance due

College Charges

- Tuition
- Fees
- Room
- Board/Meal Plan
- Health Insurance

mefa.org/college-cost-calculator

Comparing College Cost Calculator Results

- What is the net price at each school?
- Which colleges can your family afford?
- Remember to consider 4+ years of attendance and potential graduate school
- Limit borrowing
- Select an *affordable* college that makes financial sense!



Past Income

- 529 College Savings Plans
- Prepaid Tuition Plans
- Savings Bonds
- Stocks
- CDs
- Student Bank Accounts
- Other Investments



Utilizing Savings from the U.Plan & U.Fund



- Log in to your account online to request a distribution
- For customers not online: complete the U.Plan Distribution Request Form, which will be mailed to you in early April
- Questions?
 - Call (800) 449-MEFA (6332)



- Visit [fidelity.com/saving-for-college/529-plan-distributions](https://www.fidelity.com/saving-for-college/529-plan-distributions) to:
 - Obtain a 529 College Investing Plan Distribution Form
 - Set up BillPay* to send funds directly to the college
- Questions?
 - Call (800) 544-2776

Present Income

Consider using an **interest-free monthly payment plan**

- Pay over 5 to 12 months
- No interest charges or credit requirements
- Minimal enrollment fee
- Great option to minimize borrowing
- Plans typically begin in May, June, or July
- Contact the college for more information



Future Income

Be a Wise Borrower:

- Know your credit history
- Borrow only what you need
- Think in terms of total enrollment (4+ years) and total debt
 - Consider the post-graduation monthly repayment
- Consider major/career, employment rates, & starting salary

Understand:

- Fixed or variable interest rate
- Repayment timeline
- Primary borrower

- Multiple credit inquiries in a short period only count as one inquiry

If you have questions about borrowing, attend our Comparing Loan Options webinar

Wednesday, June 3rd @ noon

Thursday, July 9th @ noon

Understand the Cost of Borrowing

MEFA's Student Loan Payment Calculator

	Interest Rate: 4.00%	Interest Rate: 5.00%	Interest Rate: 6.00%	Interest Rate: 7.00%	Interest Rate: 8.00%
MONTHLY PAYMENT	\$535.44	\$555.42	\$575.41	\$595.40	\$615.39
TOTAL COST OF LOAN	\$20,481.60	\$21,481.60	\$22,481.60	\$23,481.60	\$24,481.60
APR	4.00%	5.00%	6.00%	7.00%	8.00%

mefa.org/loan-payment-calculator

A Pathway to Paying the Balance Due

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

Timing: Paying Your College Bill



- Fall semester bill: sent in June or July, due in July or August
- Apply for educational loans at least 2 weeks before bill deadline
- Set up payment plans according to the college schedule

Private Scholarships

- Check with school counselors for local scholarship info
- Never pay to apply for a scholarship
- Community organizations, foundations, non-profits, and corporations all offer scholarships



- Search online
- meapathway.org
 - CollegeBoard.org
 - Fastweb.com
 - StudentScholarshipSearch.com
 - Follow MEFA on Facebook and Twitter for scholarship alerts

Paying for College in MA: You Have Options

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



Tuition Break

- Reduction on out-of-state tuition costs at New England schools for certain programs
- Nebhe.org/programs-overview/rsp-tuitionbreak/overview



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Financial Aid Office as a Resource

Learn about your financial aid

- Financial aid renewability criteria
- Treatment of private scholarships

Ask about special considerations

- Can I appeal my award?
- Changes in family circumstances

Financial Aid Office

Find out additional details

- Open House and Orientation programs
- Additional financial resources

Ways to get in touch

- Financial Aid Office website
- In-person meeting
- Phone call
- Email

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What's Next?

- Pay any enrollment deposit required by college deadline
- Make plans to attend Orientation
- Create a plan as a family to pay the balance due
- Utilize MEFA as your resource
 - Sign up for MEFA emails to stay on track
 - Use tools on mefa.org: webinars, calculators, videos
 - Take advantage of one-on-one counseling with the MEFA team
 - Phone: (800) 449-MEFA (6332)
 - Email: collegeplanning@mefa.org



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Connect with MEFA on Social Media



 facebook.com/mefaMA

 [@MEFAtweets](https://twitter.com/MEFAtweets)

 linkedin.com/company/mefa

 youtube.com/MEFAcounselor

Thank You

Questions?

(800) 449-MEFA (6332)

collegeplanning@mefa.org

How was the webinar? We'd love for you to leave us a Google review to hear your feedback: asap.llc/mefa

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