

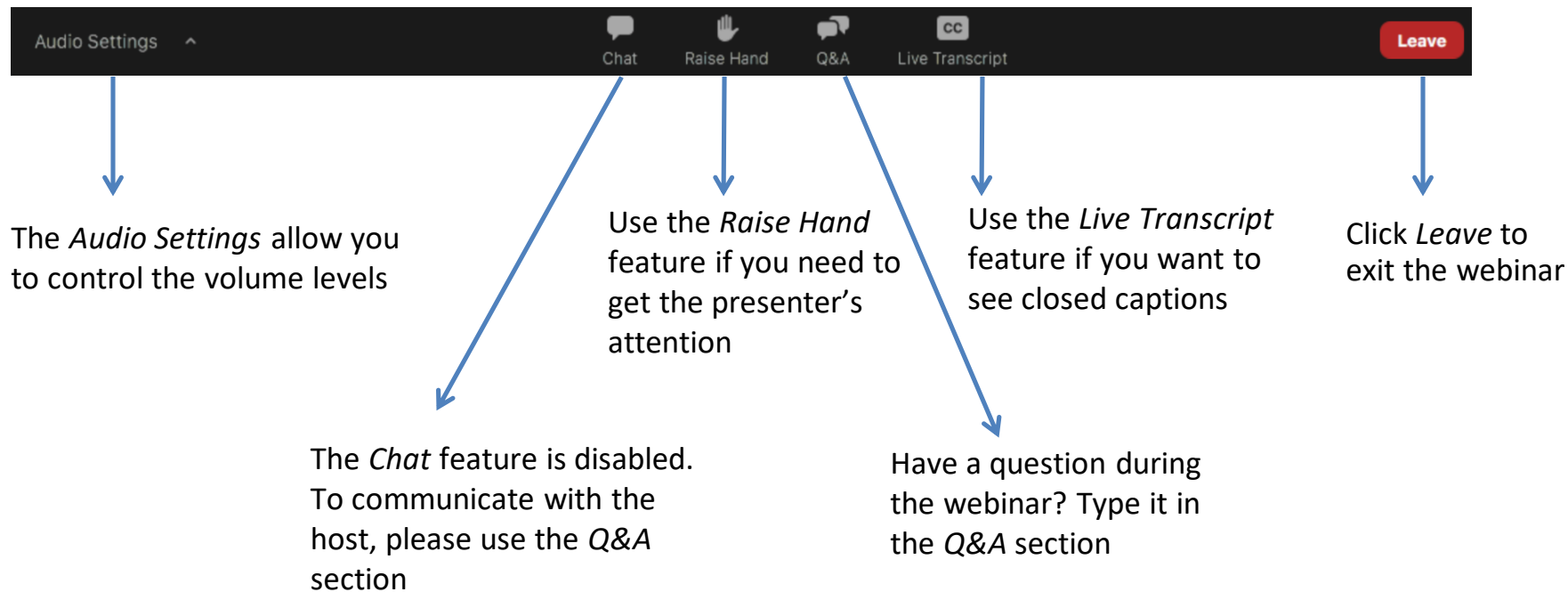


After the College Acceptance Webinars

mefa.org/COLLEGEBOUND

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How to Participate in This Webinar



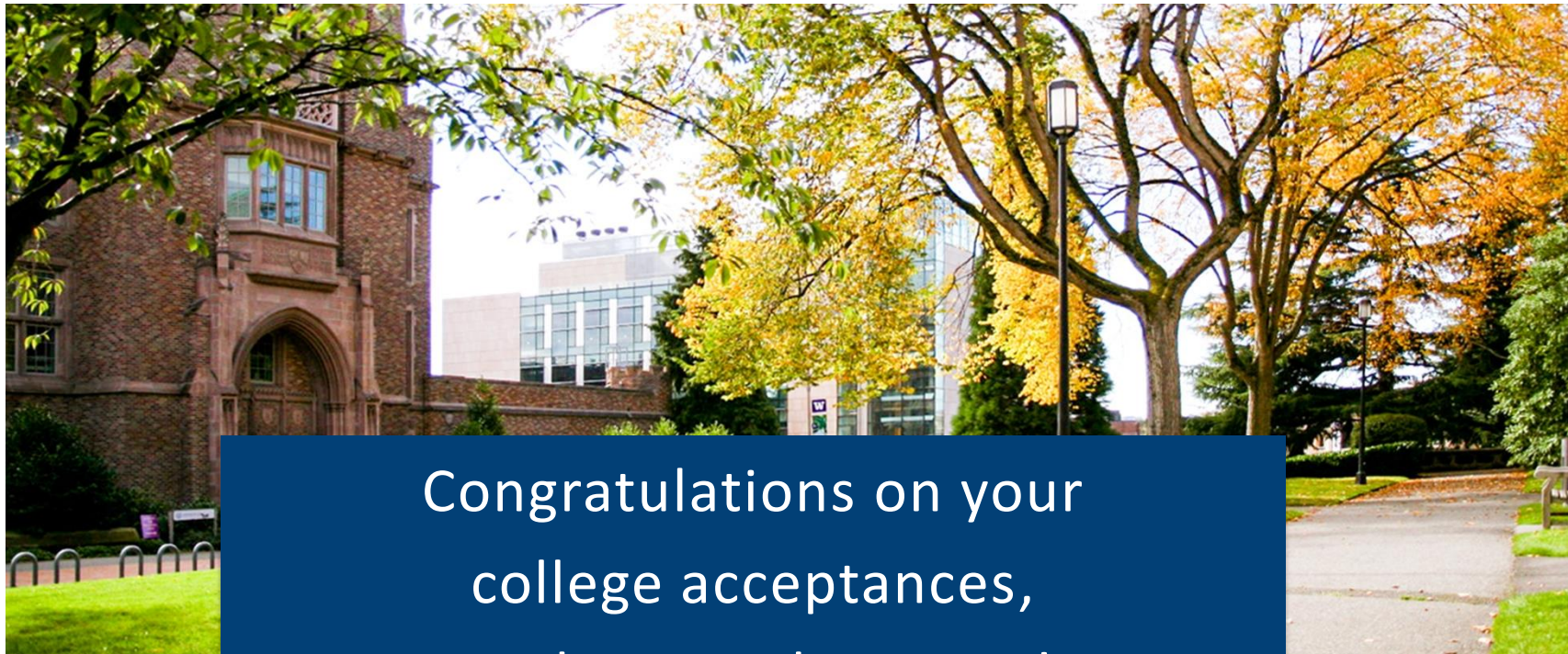
About MEFA



mefa[®]

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

Welcome



Congratulations on your
college acceptances,
students and parents!

This Webinar Will Help You...



- **Understand** your financial aid offers
- **Know** your options if you haven't applied for financial aid
- **Learn** how to calculate the balance due
- **Make** a financially wise college decision
- **Develop** a plan for paying the college bill

Merit-Based vs. Need-Based Aid

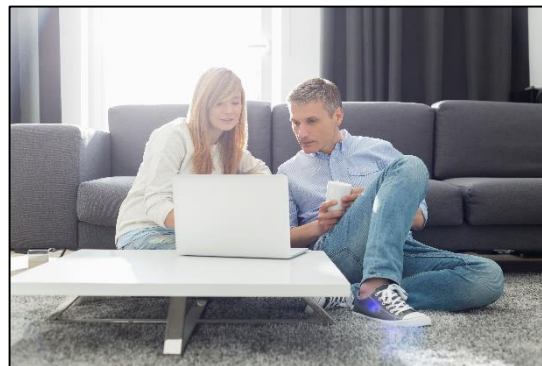
Merit-Based Aid

- 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: 2.75% for 2020-21 (2021-22 rate announced in May)
- Two types:
 - Subsidized: Interest accrues after student leaves school
 - Unsubsidized: Interest accrues immediately
- 1.057% fee deducted from loan amount
- Promissory Note & Entrance Counseling: [StudentAid.gov](https://studentaid.gov)
- No payments while in school and several repayment options

Annual Direct 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
- May need to 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

- Submit the FAFSA for federal & state financial aid
- Massachusetts deadline is May 1st
- Federal aid, including Direct Loans, is available all year



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
5. Watch your email for updates

Calculating the Balance Due

College charges

- Financial aid & enrollment deposit

=Balance due

College Charges

- Tuition
- Fees
- Room
- Board/M meal Plan
- Health Insurance

College Name	School	School	School	School
ANNUAL COSTS				
Tuition & Fees				
Room and Board				
Books & Supplies				
Transportation				
Health Insurance				
Other Costs:				
ANNUAL GIFT AID				
Federal Pell Grant				
Federal SEOG				
State Grant/Scholarships				
College Grants/Scholarships				
Outside/Private Scholarships				
STUDENT LOANS				
Federal Direct Subsidized Loan				
Federal Direct Unsubsidized Loan				
School-Specific Student Loan				
OTHER RESOURCES				
Other Resources:				
Total Annual Costs	\$0	\$0	\$0	\$0
Total Annual Gift Aid	\$0	\$0	\$0	\$0
Total Student Loans	\$0	\$0	\$0	\$0
Total Other Resources	\$0	\$0	\$0	\$0
Remaining Cost	\$0	\$0	\$0	\$0

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 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 one of our *Comparing College Loan Options* webinars

Wednesday, June 2nd @ noon

Thursday, July 8th @ noon

Understand the Cost of Borrowing

MEFA's Student Loan Payment Calculator

Amount to borrow:

Years before graduation:

My or my co-borrower's credit profile: ☐ Fair ☒ Good ☐ Excellent

	Immediate Repayment: 10 Years	Immediate Repayment: 15 Years	Interest-Only Repayment: 15 Years	Deferred Repayment: 15 Years	Student Deferred with Co- borrower Release: 15 Years
In-School Monthly Payment	\$211.36 for 48 months	\$157.87 for 48 months	\$84.88 for 48 months	\$0.00 for 48 months	\$0.00 for 48 months
Post-School Monthly Payment	\$211.36 for 72 months	\$157.87 for 132 months	\$199.47 for 132 months	\$243.51 for 132 months	\$248.67 for 132 months
Total Cost of Loan	\$25,363.20	\$28,416.60	\$30,404.28	\$32,143.32	\$32,824.44
Interest Rate	4.75%	4.85%	5.05%	5.25%	5.50%
APR	3.75% - 5.30% **	3.95% - 5.35% **	4.25% - 5.40% **	4.38% - 5.50% **	4.62% - 5.75% **
	<input type="button" value="Loan Details"/>	<input type="button" value="Loan Details"/>	<input type="button" value="Loan Details"/>	<input type="button" value="Loan Details"/>	<input type="button" value="Loan Details"/>

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 the 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

- mefapathway.org
- CollegeBoard.org
- Fastweb.com
- GoingMerry.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 MA public 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



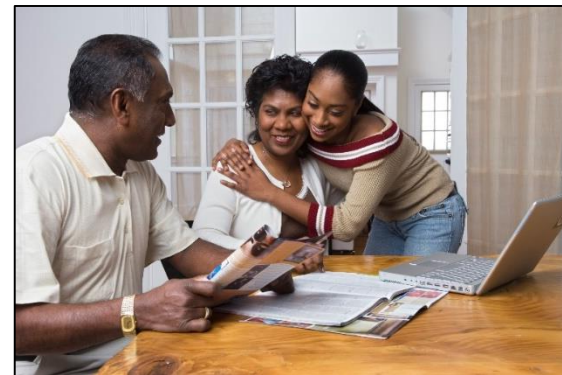
Financial Aid Office as a Resource

Learn about Your Financial Aid	<ul style="list-style-type: none">• Financial aid renewability criteria<ul style="list-style-type: none">- financial, academic• Treatment of private scholarships
Ask About Special Considerations	<ul style="list-style-type: none">• Changes in family circumstances<ul style="list-style-type: none">- Job loss or income changes due to COVID• Can I appeal my offer? How?
How to Contact the Financial Aid Office	<ul style="list-style-type: none">• Phone call• Email• Chat (if offered)

Register for the MEFA 4/1
*Financial Aid Appeals and
Paying for College in 2021*
webinar

What's Next?

- Pay any enrollment deposit required by the college deadline
- 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 information and tools on mefa.org/collegebound
 - Take advantage of one-on-one counseling with the MEFA team
 - Phone: (800) 449-MEFA (6332)
 - Email: collegeplanning@mefa.org
 - Virtual appointment request: mefa.org/appointment-request



Connect with MEFA on Social Media



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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 review on Google to hear your feedback

