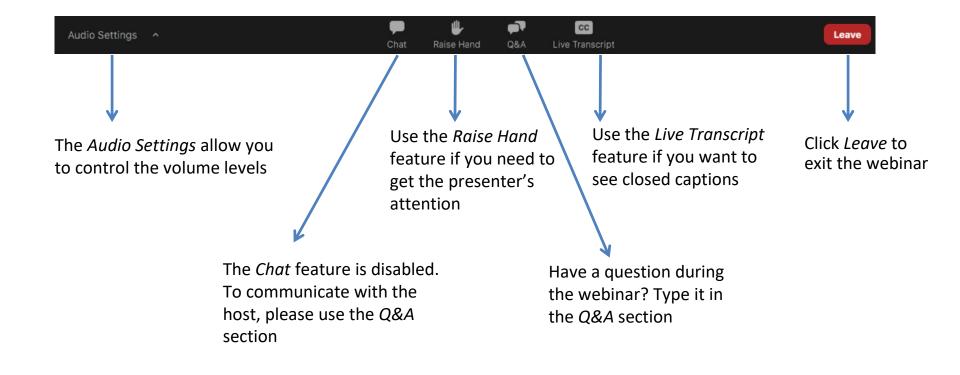
After the College Acceptance: Financial Aid Offers and Your College Bill mefa.org/COLLEGEBOUND



## How to Participate in This Webinar













Congratulations on your college acceptances, <u>students and parents!</u>

## 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

MEFA Massachusetts Educational Fina

• **Develop** a plan for paying the college bill

## Merit-Based vs. Need-Based Aid

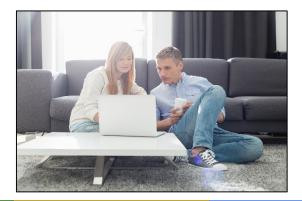
### **Merit-Based Aid**

- 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	\$51,51(

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

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## Federal Direct Student Loans

- Student is the borrower no credit check
- Fixed interest rate changes annually: 3.734% for 2021-22
- Two types:
  - -Subsidized: Interest accrues after student leaves school
  - -Unsubsidized: Interest accrues immediately
- 1.057% fee deducted from loan amount
- Promissory Note & Entrance Counseling: <u>StudentAid.gov</u>
- 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 1<sup>st</sup>

•Federal aid, including Direct Loans, is available all year







## 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/Meal Plan
- Health Insurance

College Name	School	School	School	School
AINRUAL 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 <u>fidelity.com/saving-for-</u>
   <u>college/529-plan-distributions</u> to:
  - Obtain a 529 College Investing Plan Distribution Form
  - Set up BillPay<sup>®</sup> 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 2<sup>nd</sup> @ noon

Thursday, July 8<sup>th</sup> @ noon

### Understand the Cost of Borrowing

### **MEFA's Student Loan Payment Calculator**

Amount to borrow:	bunt to borrow: Years before graduation:				
\$20,000		4 years		~	
My or my co-borrow ○ Fair			Calculate		
	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% **
	Loan Details	Loan Details	Loan Details	Loan Details	Loan Details
mefa.org/loan-payment-calculator				or	

## A Pathway to Paying the 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	

## Timing: Paying Your College Bill



• 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



## 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
- <u>Nebhe.org/programs-overview/rsp-tuitionbreak/overview</u>





## Financial Aid Office as a Resource

Learn about Your Financial Aid	<ul> <li>Financial aid renewability criteria <ul> <li>financial, academic</li> <li>Treatment of private scholarships</li> </ul> </li> </ul>	
Ask About Special Considerations	<ul> <li>Changes in family circumstances <ul> <li>Job loss or income changes due to COVID</li> </ul> </li> <li>Can I appeal my offer? How?</li> </ul>	
How to Contact the Financial Aid Office	<ul> <li>Phone call</li> <li>Email</li> <li>Chat (if offered)</li> <li>Watch MEFA's Financial Aid Appeals and Paying for College in 2021 webinar</li> </ul>	

### 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
  - $\circ$   $\;$  Take advantage of one-on-one counseling with the MEFA team  $\;$ 
    - Phone: (800) 449-MEFA (6332)
    - Email: collegeplanning@mefa.org
    - Virtual appointment request: <u>mefa.org/appointment-request</u>



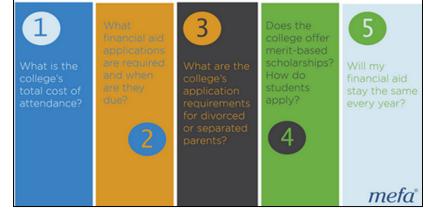
## Connect with MEFA on Social Media

mefa MEFA

February 22 at 5:30 PM · 🕥

After you receive your financial aid award from the colleges to which you have been accepted, you may need to gather some additional information. The following are some important questions to ask.

#### QUESTIONS TO ASK IN THE FINANCIAL AID PROCESS #FINAID





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### facebook.com/mefaMA



### @MEFAtweets







### youtube.com/MEFAcounselor



# 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

 $\star\star\star\star\star$