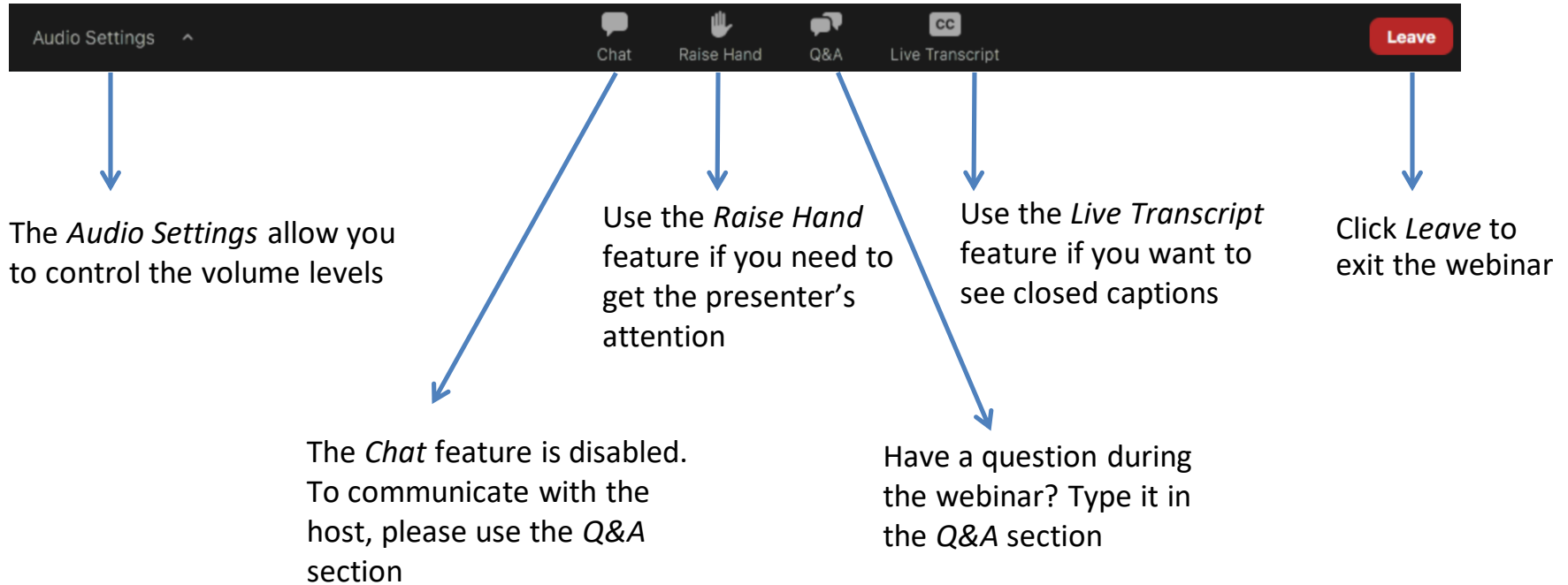




College Financing for School Counselors

A MEFA Institute Webinar

How to Participate in This Webinar



About MEFA



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

Presentation Agenda

1. Types and Sources of Aid
2. The Application Process
3. How Financial Aid Decisions Are Made
4. Paying for College
5. Free Resources
6. Questions



Types and Sources of Financial Aid

What is Financial Aid?

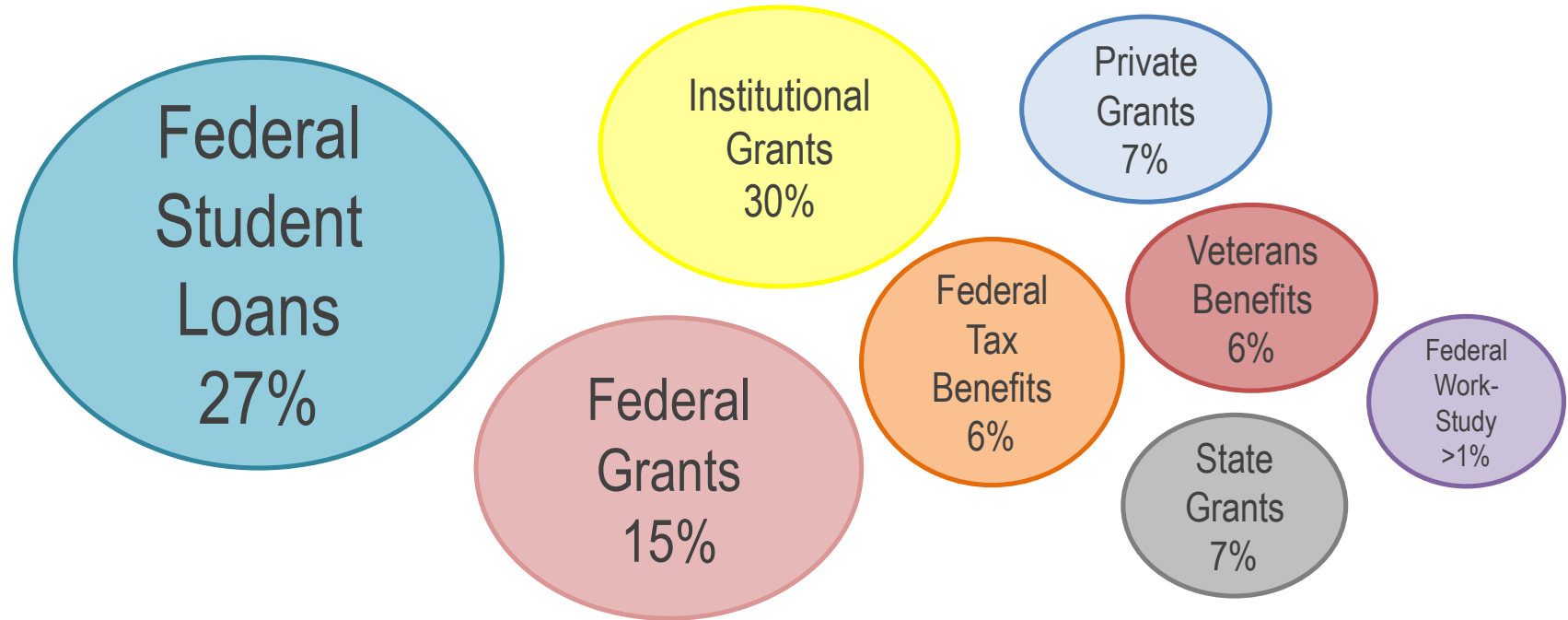
Financial aid is money to help students pay for college



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

Financial Aid Breakdown

- Undergraduate Student Aid 2019-20 (\$183.8 Billion)



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 school; check each school's website for details
- Separate application sometimes required (check deadlines!)
- 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

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

College/University (institutional aid)

- Grants, scholarships, loans

Other Agencies

- Scholarships: Students can search through mefapathway.org, fastweb.com, and school counselors

Federal Direct Student Loans

- Student is the sole borrower
- No credit check
- Subsidized and Unsubsidized
- 3.73% fixed interest rate for 2021-22
- 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

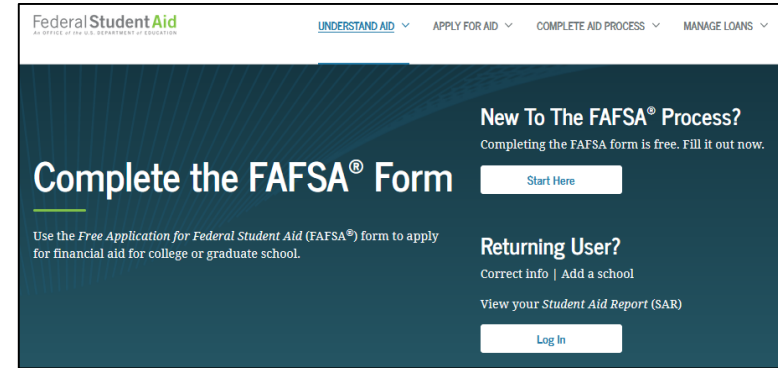
The Application Process

Financial Aid Timeline

- Early action/decision deadlines are often in October or November
- Standard deadlines are typically in February or March
- **STUDENTS SHOULD NEVER SUBMIT APPLICATIONS LATE**
- Use MEFA's College Application Manager helps families stay organized
 - mefa.org/college-application-manager



- Free Application for Federal Student Aid (FAFSA)
- Required by all colleges
- Becomes available October 1st: fafsa.gov
- Easy completion on myStudentAid mobile app
- Log in with an FSA ID: fsaid.ed.gov
 - Both student and parent need one!
- IRS Data Retrieval Tool: Pull in federal tax data
- *A Deep Dive into the FAFSA* MEFA Institute live webinar on September 28th
- **MUST BE COMPLETED EVERY YEAR**



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



What's Reported on the FAFSA?

FINANCIAL INFORMATION

- Parent and student income (2020 income for the 2022-23 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



Who's Eligible for Federal & State Aid?

- U.S. citizens and eligible non-citizens
- Valid SSN (except Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau)
- Males 18-25: Register for Selective Service (Male at birth)
- Must have high school diploma or equivalent (can't still be enrolled in HS)
- Regular student enrolled in degree or certificate program
 - 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

Eligible Non-Citizens

- U.S. nationals
- U.S. permanent residents with Form I-551, I-151, or I-551C
- Those with Arrival-Departure Record (I-94) from U.S. Citizen and Immigration Services (USCIS)
- Those who hold a T-visa or have parents with a T-1 visa
- Any “battered immigrant-qualified alien” or a child of such a person under the Violence Against Women Act
- Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau

Federally Independent Students

No parent information collected (though some colleges may collect parent info for consideration of college-based funds)

Criteria

- 24 or older
- Married
- Graduate Student
- Active duty/Veteran of U.S. Armed Forces
- Provide more than half of support for children or dependents
- Emancipated minor
- In legal guardianship
- Since turned 13: orphan, in foster care, or ward of court
- Unaccompanied, homeless youth



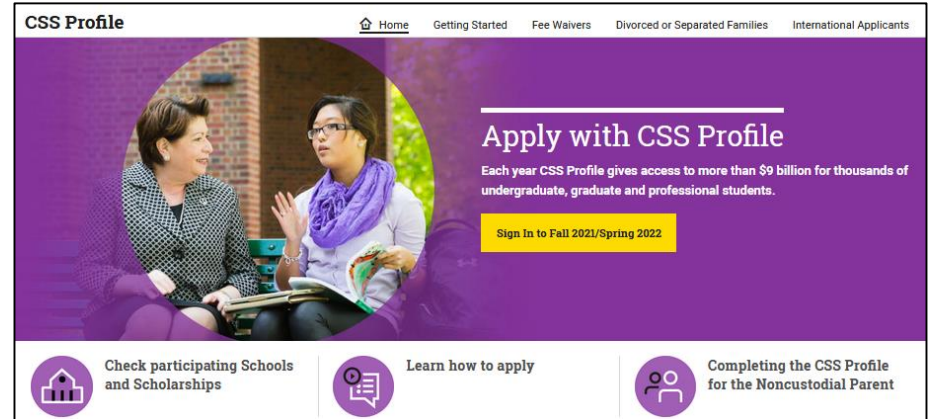
Other Financial Aid Applications

CSS Profile™

- cssprofile.org
- Required by some colleges and universities
- \$25 for 1st school, \$16 for each additional
- Becomes available October 1st
- Noncustodial parent will need to submit a separate Profile
- *A Deep Dive into the CSS Profile* MEFA Institute live webinar on Sept 22nd

College Financial Aid Application

- Required by some colleges and universities



The screenshot shows the CSS Profile website homepage. At the top, there is a navigation bar with links for Home, Getting Started, Fee Waivers, Divorced or Separated Families, and International Applicants. The main content area features a large purple banner with a circular image of two women talking. The text on the banner reads "Apply with CSS Profile" and "Each year CSS Profile gives access to more than \$9 billion for thousands of undergraduate, graduate and professional students." Below this is a yellow button that says "Sign In to Fall 2021/Spring 2022". At the bottom, there are three purple icons with corresponding text: "Check participating Schools and Scholarships", "Learn how to apply", and "Completing the CSS Profile for the Noncustodial Parent".

More About the CSS Profile

Why Do Institutions Use the Profile?

1. Collects more detailed information than the FAFSA
2. Allows schools to ask customized questions
3. Permits families to provide special circumstances



Start Here: cssprofile.org

High school seniors should apply for 2021-22

List of colleges that require the Profile

More info

The screenshot shows the CSS Profile website homepage. At the top, the navigation bar includes 'Home', 'Getting Started', 'Fee Waivers', 'Divorced or Separated Families', and 'International Applicants'. The main banner features a purple background with a circular image of a woman and a young woman talking. The text on the banner reads 'Apply with CSS Profile' and 'Each year CSS Profile gives access to more than \$9 billion for thousands of undergraduate, graduate and professional students.' Below this is a yellow button that says 'Sign In to Fall 2021/Spring 2022'. Underneath the banner are three main sections: 'Check participating Schools and Scholarships' with a school icon, 'Learn how to apply' with a speech bubble icon, and 'Completing the CSS Profile for the Noncustodial Parent' with a person icon. At the bottom, there is a 'Site Topics' section with three columns: 'Getting Started' (resources to make it easier to apply), 'Fee Waivers' (the profile is free for eligible students), and 'Divorced or Separated Families' (some colleges may require the profile from both biological parents). 'International Applicants' is also listed as a site topic (many colleges provide scholarship aid to international students).

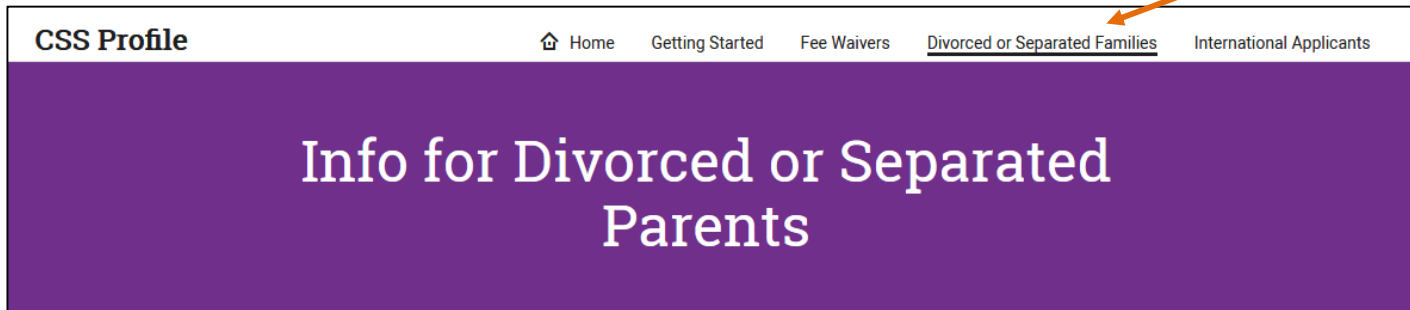
More info

Info for noncustodial parents

Overview webinar

Parent Information

- Report all parents and step-parents (up to 4) (include deceased)
- Legal guardians should be reported as parents (different from the FAFSA)
- Custodial parent, current spouse, and student provide info
 - Provide list of colleges
- Some schools require noncustodial parent to submit a Profile (check school's website)
- Student supplies email address of noncustodial parent
 - Either after school selection or in dashboard after submission
 - It is student responsibility to follow up with noncustodial parent



CSS Profile

[Home](#) [Getting Started](#) [Fee Waivers](#) [Divorced or Separated Families](#) [International Applicants](#)

Info for Divorced or Separated
Parents

General Information Requested on Profile

- Colleges where student is applying
- Parent & student 2020 income
 - Will refer to tax return lines
- Parent & student projected income
 - 2021 & 2022
- Parent and student assets (current)
- Household member information
- Number of children in college



More Questions = Better Estimate of Ability to Pay

Parent Income

- Untaxed Social Security Benefits, Earned Income Credit, Additional Child Tax Credit, Foreign Income Exclusion



Parent Assets

- Value and debt of primary home
- All business and farm information
- Parent assets held in siblings' names
- Retirement value (asked for, though not often used)



Parent expenses

- Medical/dental
- Private elementary/secondary school tuition
- Education loan payments



More Questions = Better Estimate of Ability to Pay

Family data

- Ages of siblings
- Colleges that siblings attend



Student data

- Private scholarships
- Employee tuition benefits



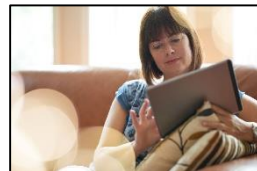
Explanation of special circumstances

- After certain questions and at the end of the application
- Can check a certain category but must provide details
- Note change in income, exceptional expenses, etc.
- Send details to college if happens after completing the Profile



• Supplemental Questions

- Added by each college/university (requesting school will be noted)
- Sometimes not required but strongly recommended to answer



What is IDOC?

- College Board's Institutional Documentation Service
- Collects family documents (such as tax returns) on institution's behalf
- IDOC student dashboard tells student of required documents
- Institution-specific forms are under the *Get Forms* link on the IDOC dashboard
- Documents must be in JPEG, TIFF, or PDF format
- Sign any documents on signature lines
- IDOC Customer Service: (866) 897-9881
- idoc.collegeboard.com

Institutional Documentation Service (IDOC)

With IDOC, you submit your financial aid documents online and the College Board provides them to all of your IDOC schools automatically.

Sign in to IDOC



After Students Apply



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

Verification

What is Verification? *Federal Verification is a process that requires institutions to verify the accuracy of information provided on a student's FAFSA in an effort to assure federal aid is distributed to those who are eligible.*

Possible requirements for families:

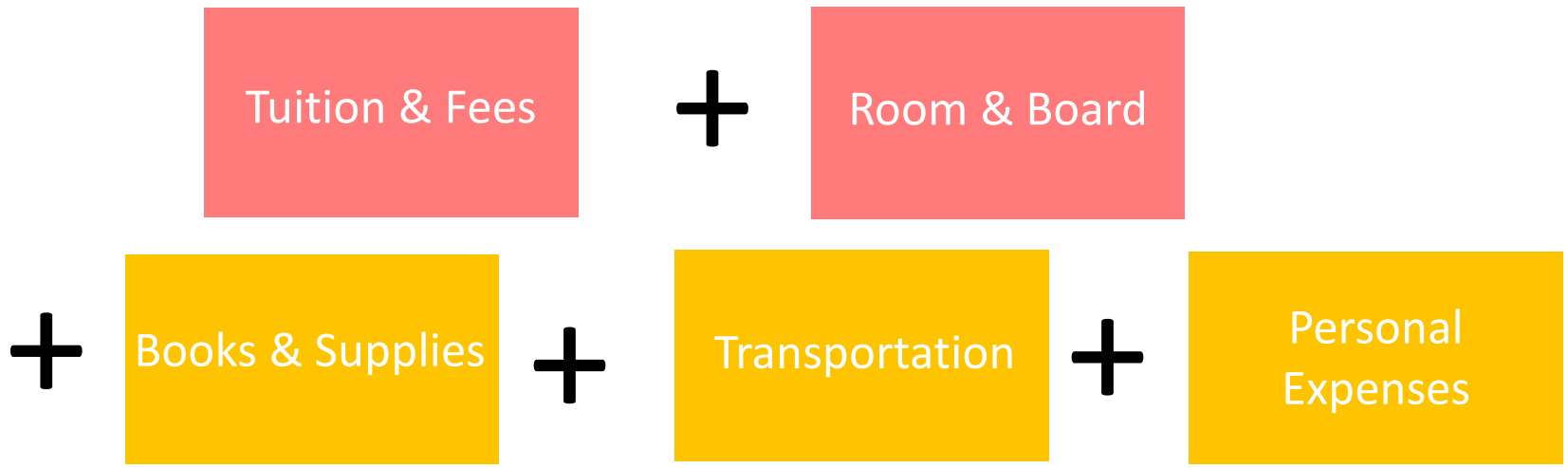
- College's Verification Worksheet
- Use of the IRS Data Retrieval Tool
- Submission of signed tax returns via the College Board's IDOC or directly to the college
- IRS Tax Return Transcript
 - [irs.gov](https://www.irs.gov): Select **Get Your Tax Record**
 - By phone: (800) 908-9946
 - By mail: Form 4506-T
- Verification of Non-Filing (VONF)
 - [irs.gov](https://www.irs.gov): Select **Get Your Tax Record**
 - By phone: (800) 908-9946


Tax advocate service for families: [irs.gov/Advocate/](https://www.irs.gov/Advocate/)


How Financial Aid Decisions Are Made

Cost of Attendance (COA)

COA = Total Expenses for One Year of College



 = Billed or Direct Expenses

 = Non-Billed or Indirect 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 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

Expected Family Contribution (EFC) Calculator

Colleges and universities determine the amount of financial aid to award you based in part on your Expected Family Contribution (EFC). Your EFC is intended to represent the amount your family can contribute toward college costs for one year. Use our calculator below to get an estimate of your family's EFC. And to learn more about the financial aid process, visit [Financial Aid Made Simple](#).

FINANCIAL AID CALCULATOR

Determine your Expected Family Contribution (EFC) for the 2019-2020 school year

STUDENT STATUS

PARENTS' CONTRIBUTION

STUDENT'S CONTRIBUTION

EFC

GETTING STARTED

First we need to collect some information about the household to determine how to calculate the student's EFC

STUDENT STATUS

Is the student independent? [more info](#)

No

HOUSEHOLD INFORMATION

STATE OF RESIDENCE

Select a state

NUMBER IN HOUSEHOLD

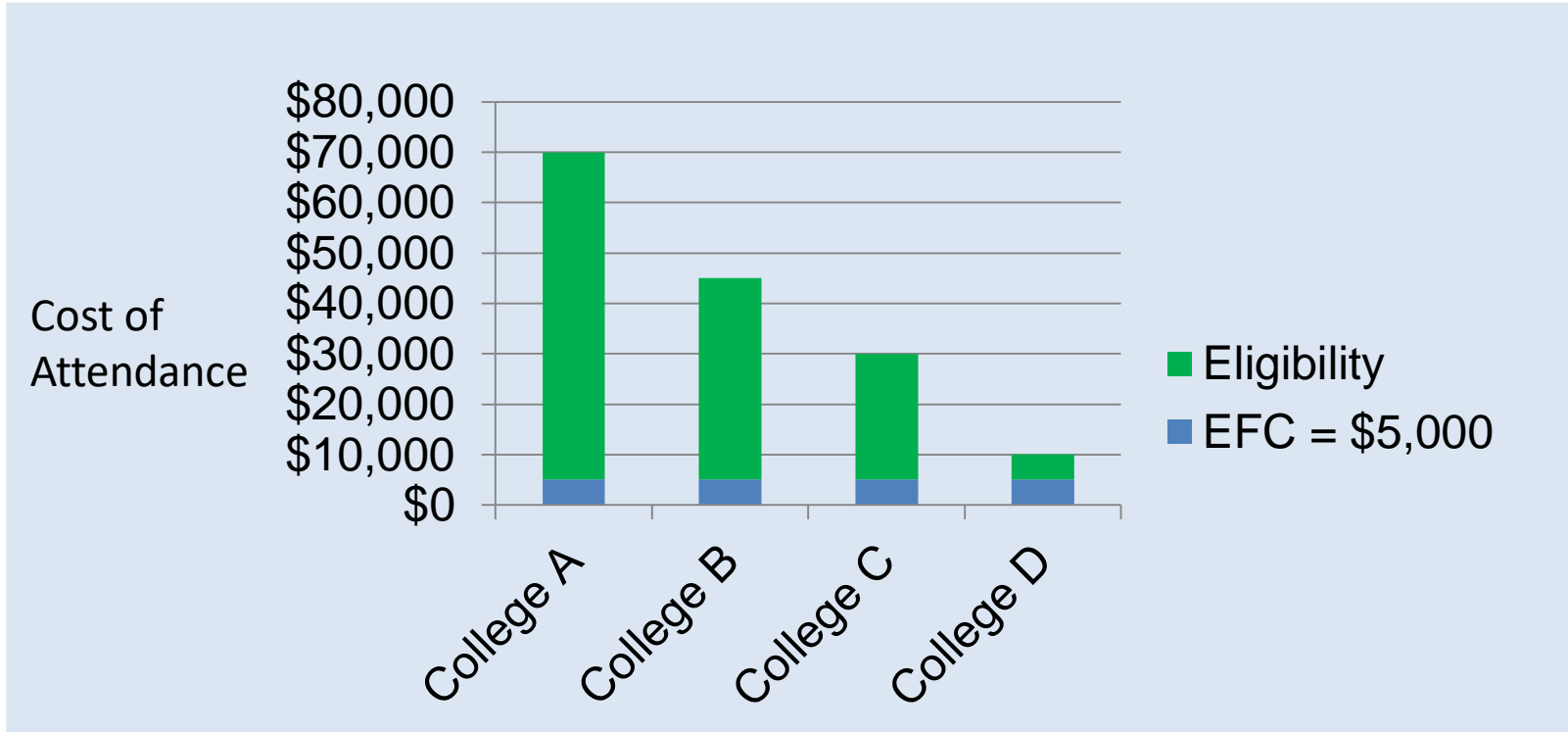
CHILDREN IN COLLEGE

$$\begin{aligned} & \text{Cost of Attendance (COA)} \\ - & \text{Expected Family Contribution (EFC)} \end{aligned}$$

$$= \text{Financial Aid Eligibility}$$

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

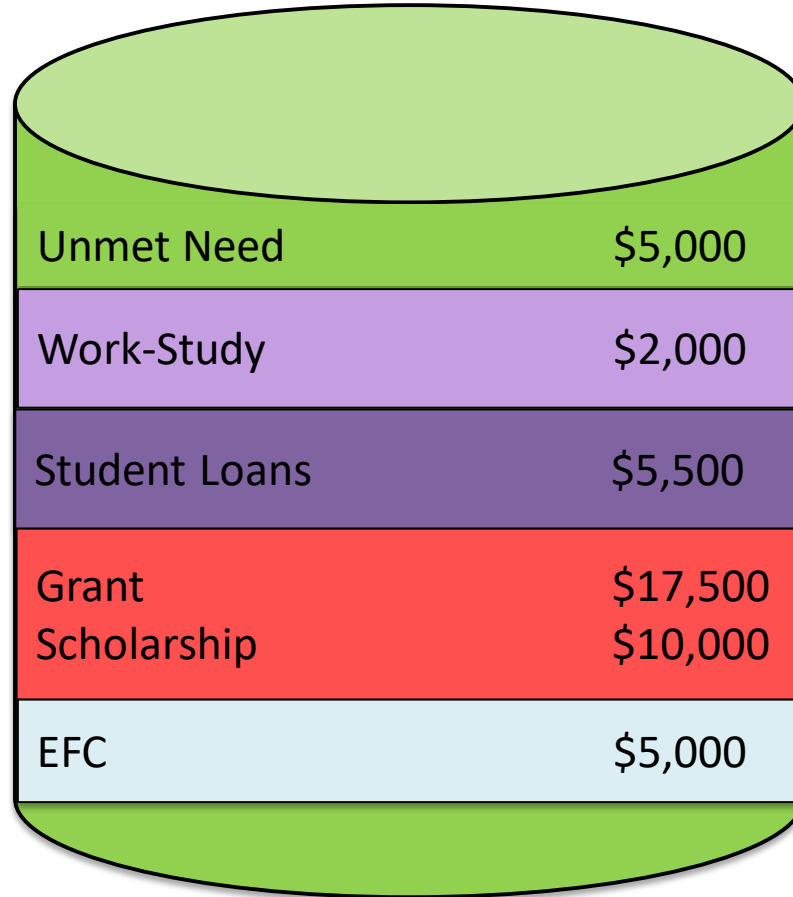
How the Formula Works



Financial Aid Awarding

**College COA =
\$45,000**

Unmet need and EFC is the FAMILY's responsibility



Award Letters: Totals Can Vary

COA: \$45,000 EFC: \$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 Need	\$0	\$7,000	\$15,000

Award Letters: Types Can Vary

COA: \$45,000

EFC: \$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 Need	\$5,000	\$5,000	\$5,000

Paying for College

Filling the EFC and Unmet Need: An Example

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

Additional Financial Considerations

- Total number of children in a family going to college
- Total enrollment (4+ years) and total debt
- Post-graduation monthly loan payment
- Potential starting salary for intended career
- Graduate school
- Credit score if planning to borrow private loans
- Each school's net price



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



Free Resources

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



Learn about Financial Aid	<ul style="list-style-type: none">• Financial aid renewability criteria (financial, academic)• Treatment of private scholarships
Ask About Special Considerations	<ul style="list-style-type: none">• Changes in family circumstances• 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)

9 Things MEFA Encourages Families to Know

1. What is the total cost of attendance?
2. What financial aid applications are required and when are they due?
3. What are the college's application requirements for divorced or separated parents?
4. What is the college's policy on need-based aid?
5. Does the college offer merit-based scholarships? How do students apply?
6. Assuming that cost and family responsibility remain constant, how will grant and loan amounts change from year to year? What if the family's situation changes?
7. Are scholarships/grants renewable each year? If so, are there conditions such as grade point average, enrollment status, or major?
8. Are students required to apply for financial aid even if they receive a scholarship?
9. How do outside scholarships affect the financial aid package the school offers?

National and Community Resources

- FAFSA Day
 - Free assistance completing the FAFSA
 - Events Oct-Feb
 - Register at [FAFSADay.org](https://www.fafsaday.org)

- Educational Opportunity Centers
 - Free financial aid help
 - [MassEdCO.org](https://www.MassEdCO.org)



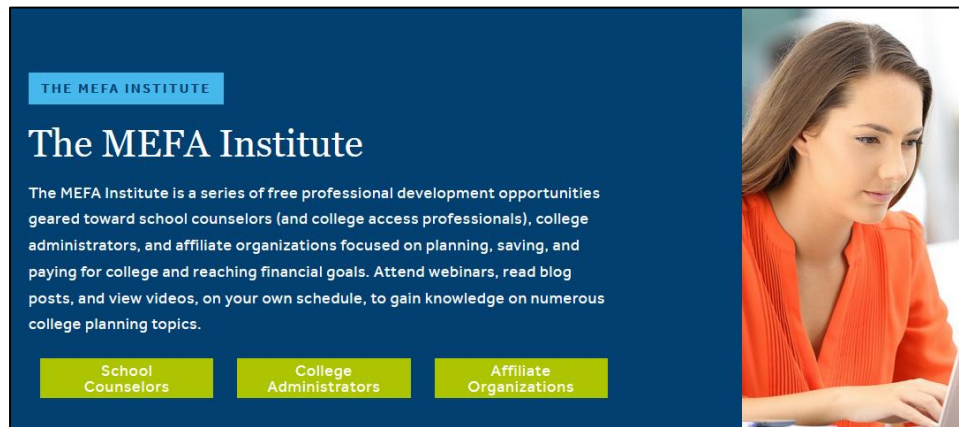
What Families Can Do Now

- Get an FSA ID for the student and parent
- Research deadlines and required applications
- Sign up for webinars at mefa.org/events
- Reference MEFA's *Timeline for College Admissions and Financial Aid* on mefa.org



Things To Do

- Register for upcoming MEFA Institute webinars and complete lessons to earn PDPs: mefa.org/mefa-institute
- Share MEFA resources with families
- Visit mefa.org/counselors




THE MEFA INSTITUTE

The MEFA Institute

The MEFA Institute is a series of free professional development opportunities geared toward school counselors (and college access professionals), college administrators, and affiliate organizations focused on planning, saving, and paying for college and reaching financial goals. Attend webinars, read blog posts, and view videos, on your own schedule, to gain knowledge on numerous college planning topics.

School Counselors College Administrators Affiliate Organizations



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Thank You

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Questions?

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