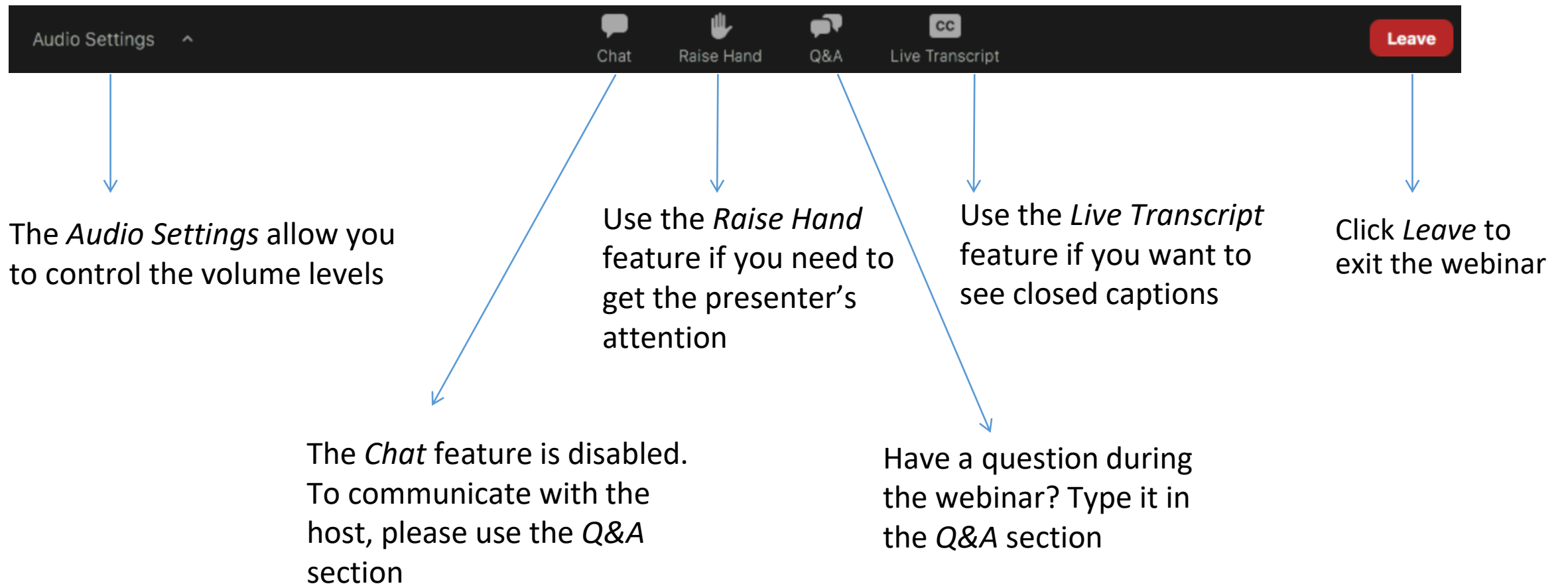




College Financing for Families of HS Juniors

How to Participate in This Webinar



About MEFA

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Seminar Topics

- Find Out About Types & Sources of Financial Aid
- Review the Application Process
- Understand How Financial Aid Decisions Are Made
- Learn About Paying for College
- Discover Free Resources



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

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: Search through mefapathway.org, fastweb.com, and your school counselor

Federal Direct Student Loans

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- Student is the sole borrower
- No credit check
- Subsidized and Unsubsidized
- 3.734% 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 screenshot shows the StudentLoans.gov website. At the top, there's a header with the Federal Student Aid logo, the text 'AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION', the website name 'StudentLoans.gov', and links for 'Log In' and 'Español'. A 'MENU' icon is on the right. Below the header is a large banner image of four diverse students. Overlaid on the banner is a 'Log in to StudentLoans.gov with your verified FSA ID' prompt with a 'LOG IN' button and a link to 'Create an FSA ID' for 'Natural Disasters'. Below the banner, there's a section titled 'Find out your student loan repayment options here' with a right-pointing arrow. Underneath this are four main navigation categories, each with a dropdown arrow: 'Undergraduate Students', 'Graduate/Professional Students', 'Parent Borrowers', and 'Repayment & Consolidation'. The 'Undergraduate Students' section is expanded, showing a list of steps: 'Complete Entrance Counseling', 'Complete Loan Agreement for a Subsidized/Unsubsidized Loan (MPN)', 'Complete Financial Awareness Counseling', 'Complete Exit Counseling', 'Use the Repayment Estimator', 'Complete TEACH Grant Initial and Subsequent Counseling', 'Complete TEACH Grant Agreement to Serve', and 'Complete TEACH Grant Exit Counseling'. To the right of this list is a video player titled 'How To Create An FSA ID'.

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 (check deadlines!)
- Application deadline may be as early as November

Need-Based Aid

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- 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

The Application Process

Financial Aid Timeline

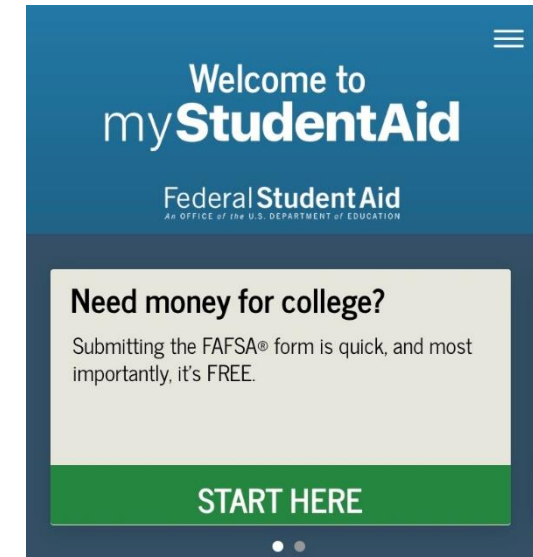
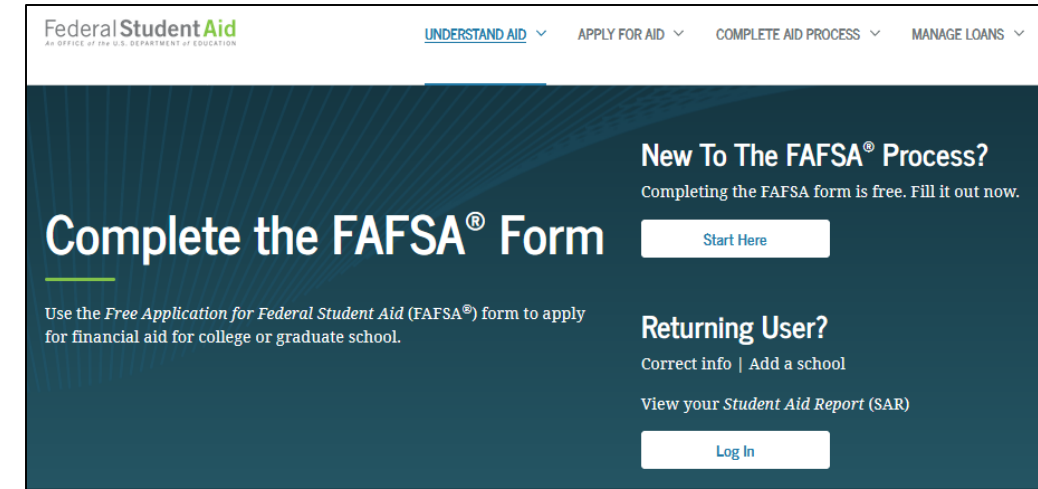
- Check deadlines and required applications on each college's website now
- Early action/decision deadlines are often in October or November
- Standard deadlines are typically in February or March
- **DON'T SUBMIT APPLICATIONS LATE**
- Use MEFA's College Application Manager to stay organized
 - mefa.org/college-application-manager



FAFSA®

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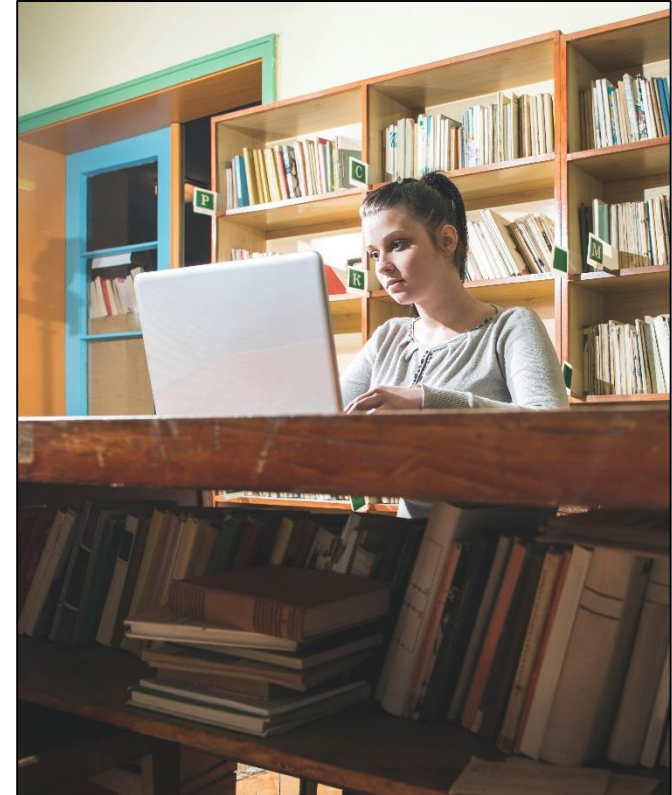
- Free Application for Federal Student Aid (FAFSA)
- Required by all colleges
- Becomes available October 1st: fafsa.gov
- Easy completion on myStudentAid mobile app
- Log in with an FSA ID: fsaid.ed.gov
 - Both student and parent need one!
- IRS Data Retrieval Tool: Pull in federal tax data
- FAFSA webinar recording on mefa.org/events
- **MUST BE COMPLETED EVERY YEAR**



What's Reported on the FAFSA?

GENERAL INFORMATION

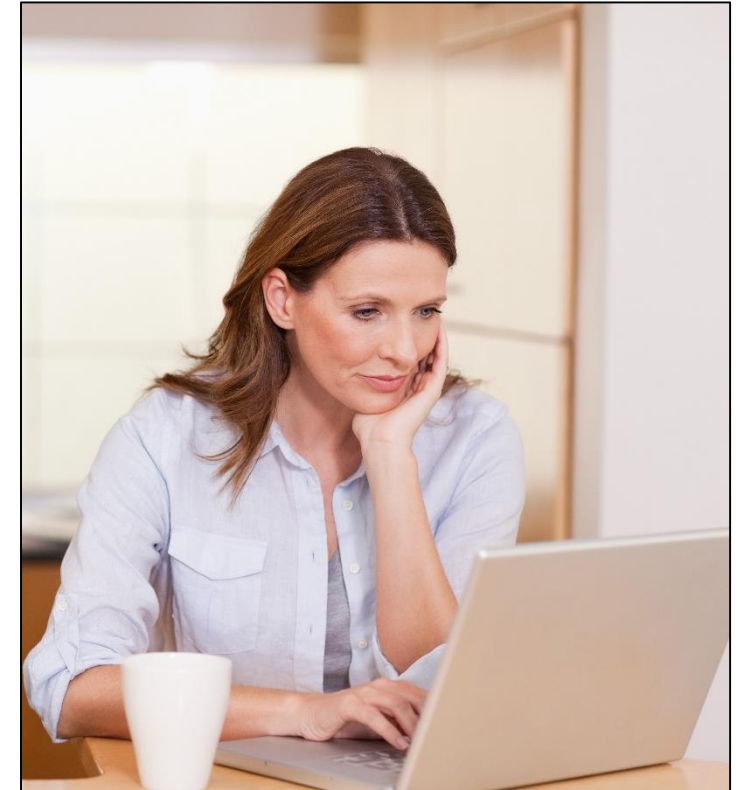
- Student citizenship status
 - Non-citizen parents:
 - Use zeros for SSN
 - Print signature page to sign (cannot get FSA ID)
- Colleges where student is applying (each one will receive your FAFSA)
- Parents
 - Married, including same-sex parents
 - All parents who live together, married or not
 - Divorced/Separated: 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



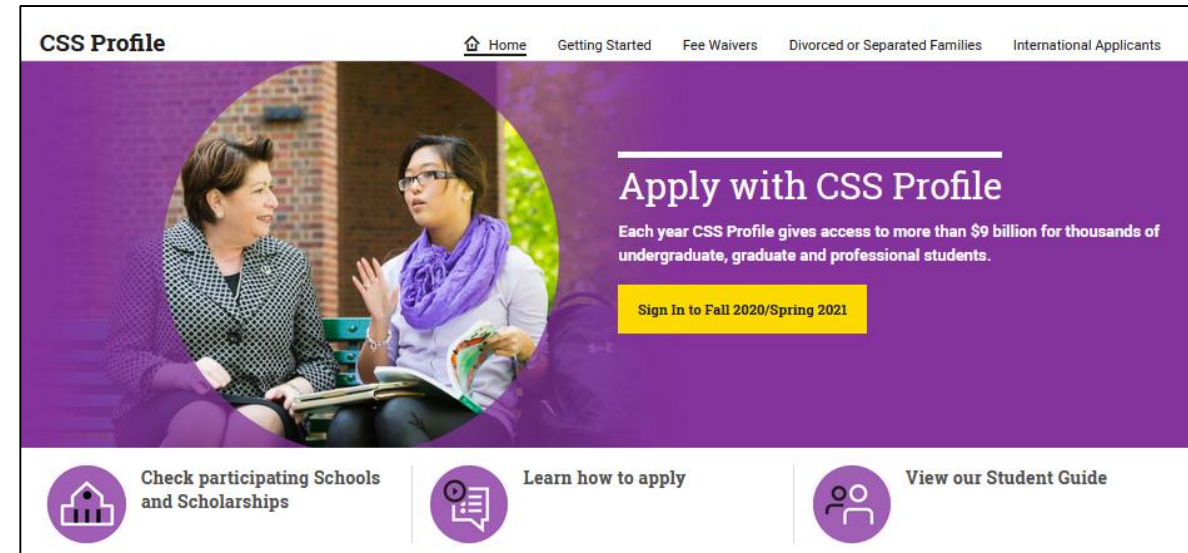
Other Financial Aid Applications

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
- Profile webinar recording on mefa.org/events

College Financial Aid Application

- Required by some colleges and universities



After You Apply

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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 you submit these documents.
5. Colleges review applications and determine the financial aid award

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

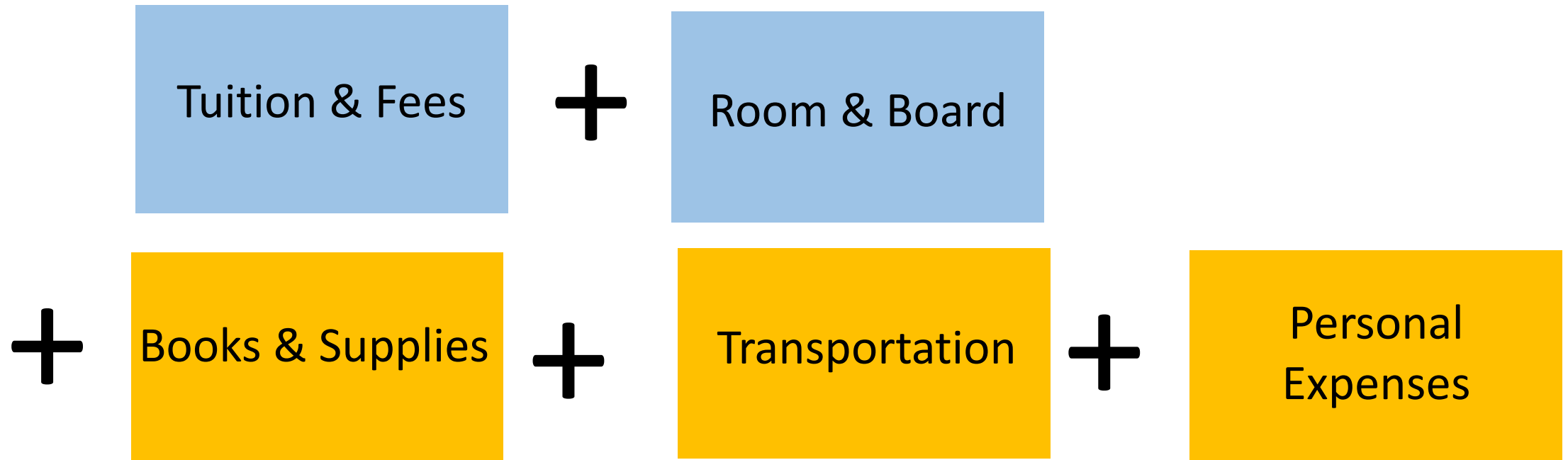
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Learn about Your Financial Aid	<ul style="list-style-type: none">• Financial aid renewability criteria (financial, academic)• Treatment of private scholarships
Ask About Special Considerations	<ul style="list-style-type: none">• Changes in family circumstances•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

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 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
- EFC Formula on ifap.ed.gov



Financial Aid Formula

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

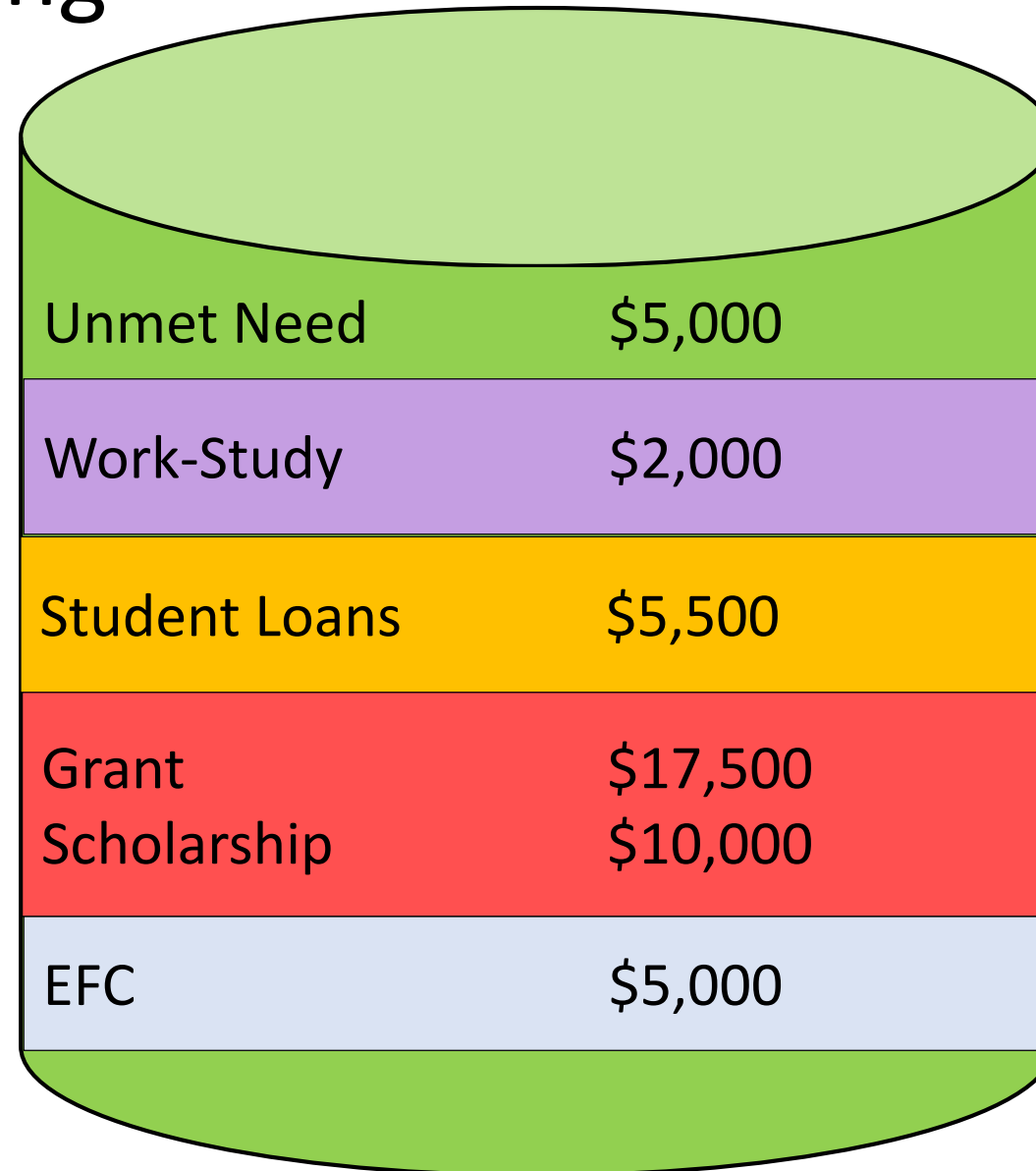
$$= \text{Financial Aid Eligibility}$$

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

Financial Aid Awarding

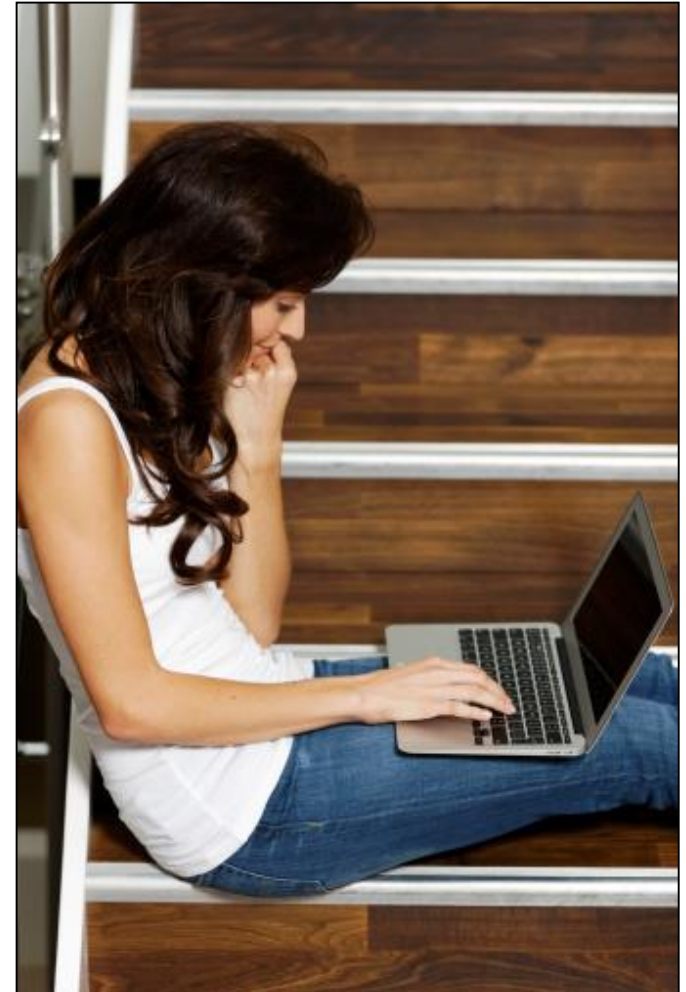
**College COA =
\$45,000**

Unmet need and EFC is the
FAMILY's responsibility



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



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

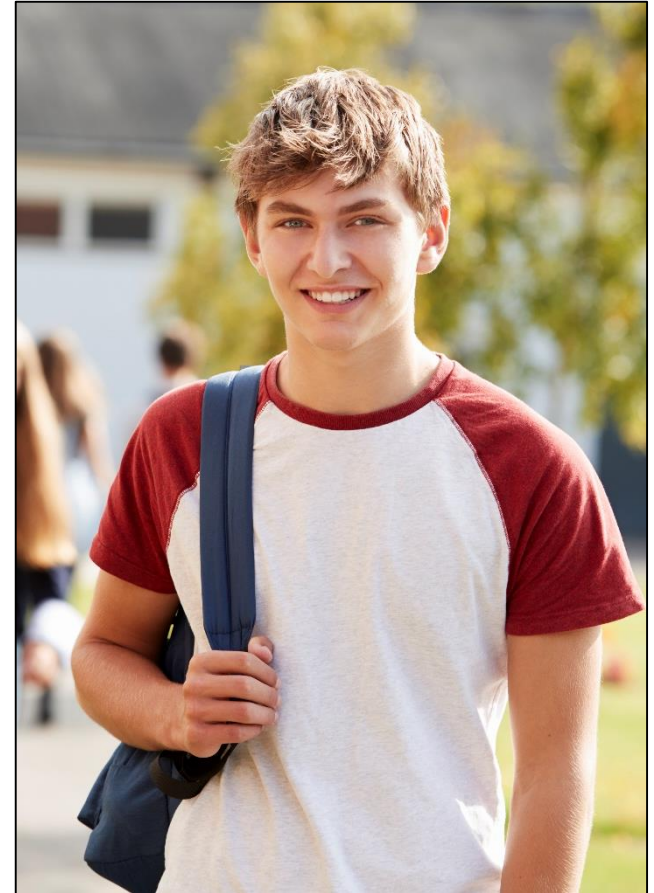
Paying for College

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

Important Kitchen Table Conversations

- Would starting at community college save significant \$?
- Consider the number of children you will send 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 your credit score if you plan to borrow a private loan
- Compare each school's net price after financial aid offers are received



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](https://nebhe.org/programs-overview/rsp-tuitionbreak/overview)



Free Resources

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
- Educational Opportunity Centers
 - Free financial aid help
 - MassEdCO.org



Staying on Track Through Senior Year

Spring/Summer Junior Year

- Research colleges
- Visit campuses & 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 *College Financing* seminar
- 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 *After the College Acceptance* seminar
- Attend college open house programs
- Choose your college by May 1st

View an extended timeline at: mefa.org/college-admissions-and-financial-aid-timeline

What You Can Do Now


- Get an FSA ID for the student and parent
- Research deadlines and required applications
- Register for other webinars at mefa.org/events
- Read financial aid blog posts at mefa.org/blog
- Reference MEFA's *Timeline for College Admissions and Financial Aid* on mefa.org



MEFA Events

We offer free informative webinars and virtual community events on a range of topics. To register for an upcoming webinar, click a topic below. To view a recorded webinar, please view our [MEFA Videos](#) page. And if you're a school counselor or college administrator looking for a webinar, please visit the [MEFA Institute](#).

Connect with MEFA on Social Media



A screenshot of a Facebook post from MEFA. The post is dated February 22 at 5:30 PM. The text of the post says: "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." Below the text is a graphic titled "QUESTIONS TO ASK IN THE FINANCIAL AID PROCESS #FINAID". The graphic consists of five vertical bars of different colors, each containing a number and a question. The questions are: 1. What is the college's total cost of attendance? (blue bar), 2. What financial aid applications are required and when are they due? (orange bar), 3. What are the college's application requirements for divorced or separated parents? (dark grey bar), 4. Does the college offer merit-based scholarships? How do students apply? (green bar), and 5. Will my financial aid stay the same every year? (light blue bar). The MEFA logo is in the bottom right corner of the graphic.

QUESTIONS TO ASK IN THE FINANCIAL AID PROCESS #FINAID

- 1 What is the college's 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 Does the college offer merit-based scholarships? How do students apply?
- 5 Will my financial aid stay the same every year?

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Thank You

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Questions?

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