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College Financing for Families of High School Juniors

Your Presenter Today

Julie Shields-Rutyna

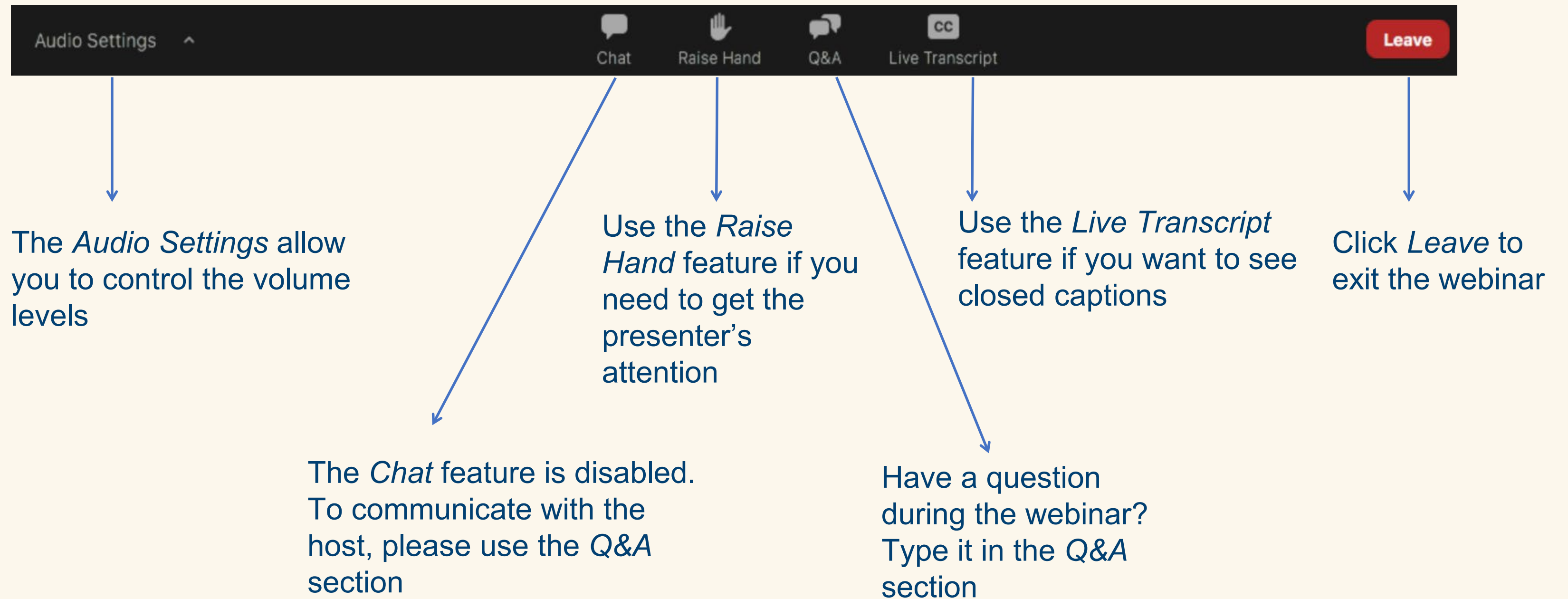
Director of College Planning, Education, and Training

Julie joined MEFA in 2007 and has over 30 years of experience helping families plan for higher education.

As Director of College Planning, she manages MEFA's widespread college planning guidance to help make college more affordable and accessible for Massachusetts students and parents.



How to Participate





About MEFA

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



Webinar 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

College Financing:

TYPES AND SOURCES OF FINANCIAL AID

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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

- 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



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

- 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

College Financing:

THE APPLICATION PROCESS

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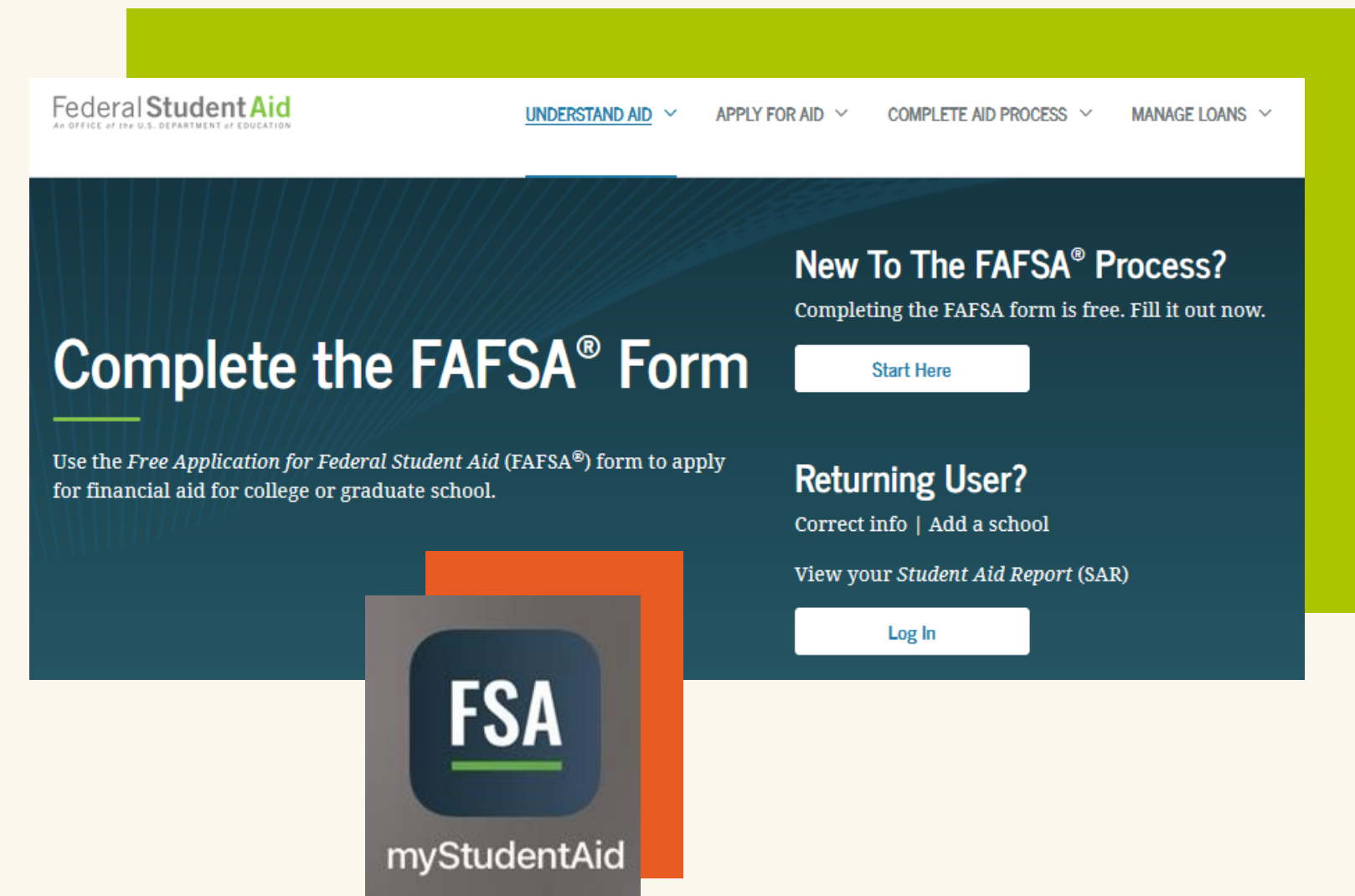


Financial Aid Timeline

- 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®

- 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 (2021 income for the 2023-24 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

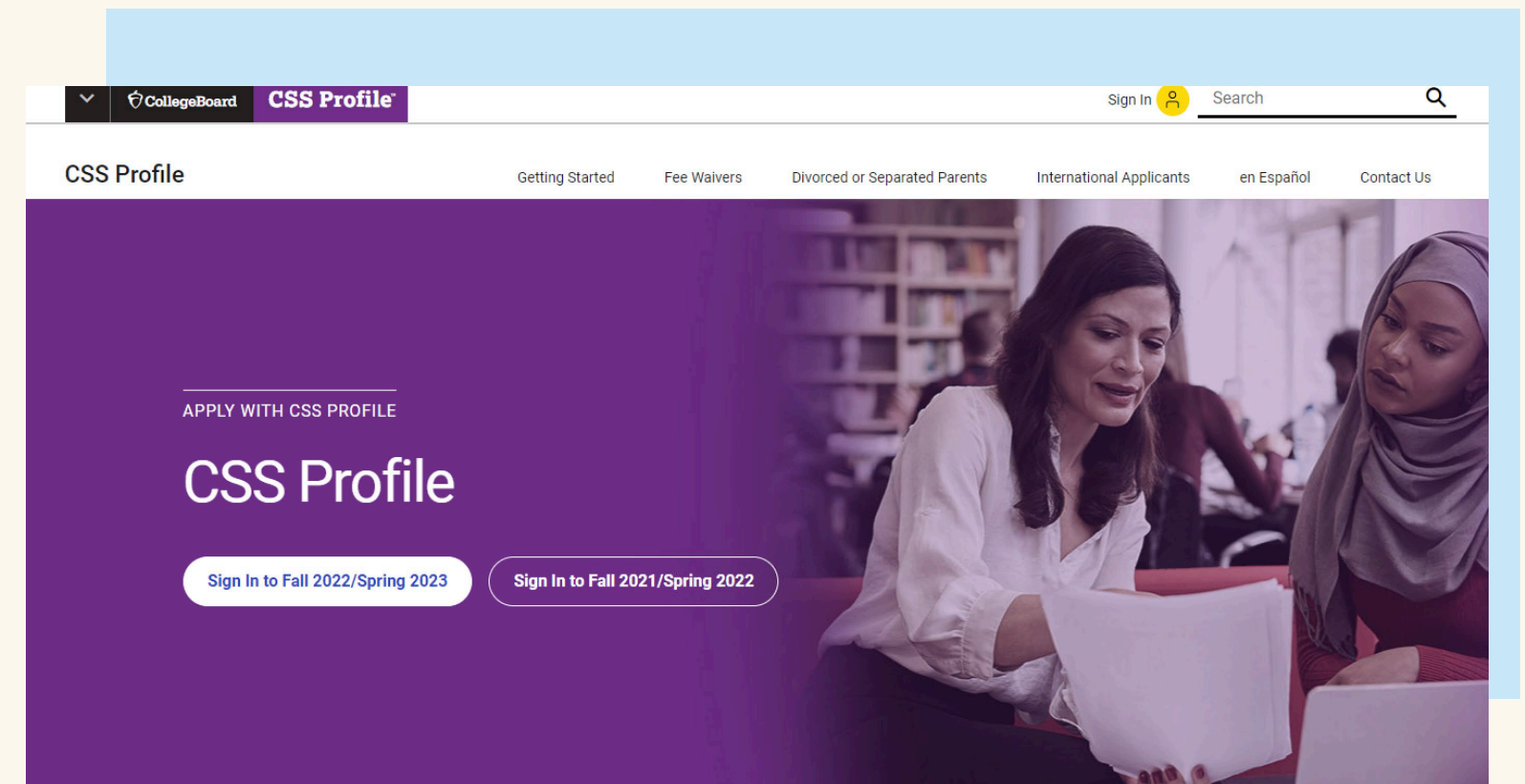
Other Financial Aid Applications

CSS Profile™

- cssprofile.org
- Required by some colleges and universities
- \$25 for 1st school, \$16 for each additional
- Fee waivers if parent income is \$100k or less or family meets certain other criteria
- Becomes available October 1st
- Noncustodial parent submits a separate profile
- Profile webinar recording on mefa.org/videos

College Financial Aid Application

- Required by some colleges and universities



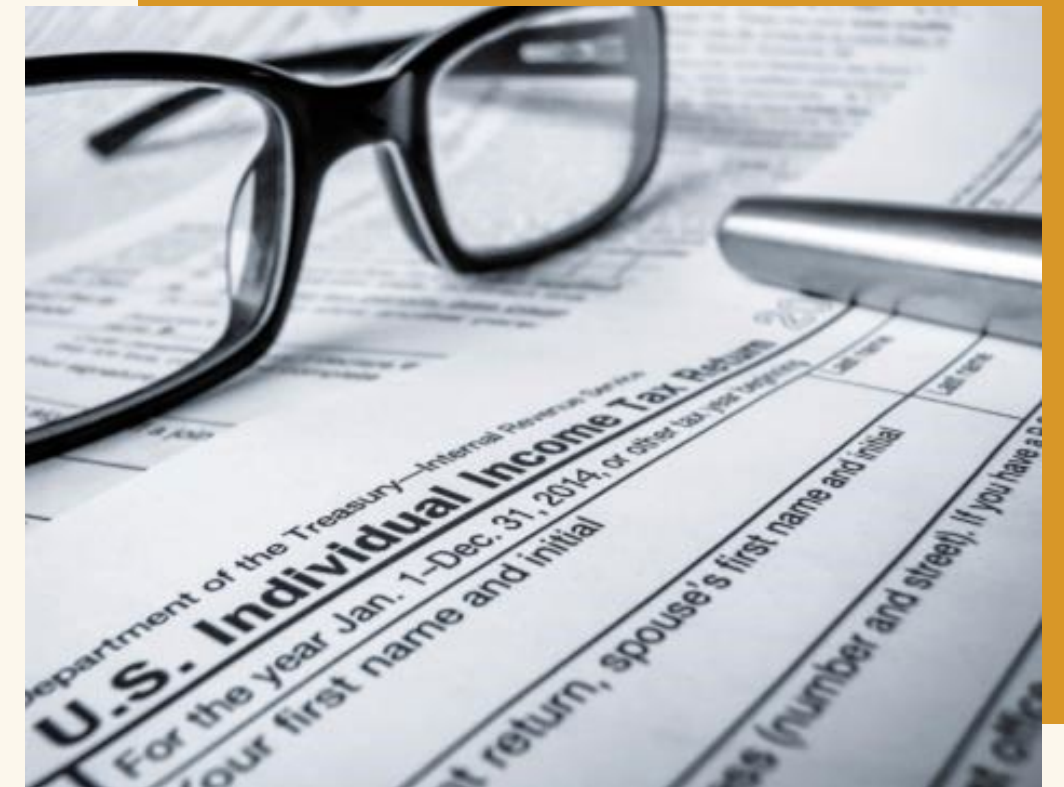


After You Apply

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

Learn About Your Financial Aid	<ul style="list-style-type: none">• Financial aid renewability criteria (financial, academic)• How will a private scholarship affect my financial aid?• How will 2024-25 FAFSA changes affect my financial aid?
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)

College Financing:

HOW FINANCIAL AID DECISIONS ARE MADE

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Cost of Attendance (COA)

COA = Total Expenses for
One Year of College



= Billed or Direct Expenses



= Non-Billed or Indirect Expenses

Tuition & Fees

+

Room & Board

+

Books & Supplies

+

Transportation

+

Personal 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

Financial Aid Formula

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

Cost of Attendance (COA)

-

Expected Family Contribution (EFC)

=

Financial Aid Eligibility

Financial Aid Awarding

College
Cost of Attendance
\$45,000

Unmet need and EFC
is the FAMILY's
responsibility

Unmet Need	\$5,000
Work-Study	\$2,000
Student Loans	\$5,500
Grant Scholarship	\$17,500 \$10,000
EFC	\$5,000



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

Offer Letters: Totals Can Vary

College
Cost of Attendance

\$45,000

Expected Family
Contribution

\$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 Needs	\$0	\$7,000	\$15,000

Offer Letters: Types Can Vary

College
Cost of Attendance

\$45,000

Expected Family
Contribution

\$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 Needs	\$5,000	\$5,000	\$5,000

College Financing:

PAYING FOR COLLEGE

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Filling EFC and Unmet Need

EFC = Expected Family Contribution

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



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

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/tuitionbreak

College Financing:

FREE RESOURCES

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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](https://fafsaday.org)

Educational Opportunity Centers

- Free financial aid help
- [MassEdCO.org](https://massedco.org)

Staying on Track Through Senior Year

Spring/Summer Junior Year

- Research Colleges
- Visit campuses and 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* Webinar
- 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 *How to Pay for College: A Guide for High School Seniors & Families* Webinar
- 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

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 linkedin.com/company/mefa

 youtube.com/MEFAcounselor

 mefa.org/mefa-podcast



Thank You

QUESTIONS?

Call (800)-449-MEFA (6332)
or email collegeplanning@mefa.org

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