

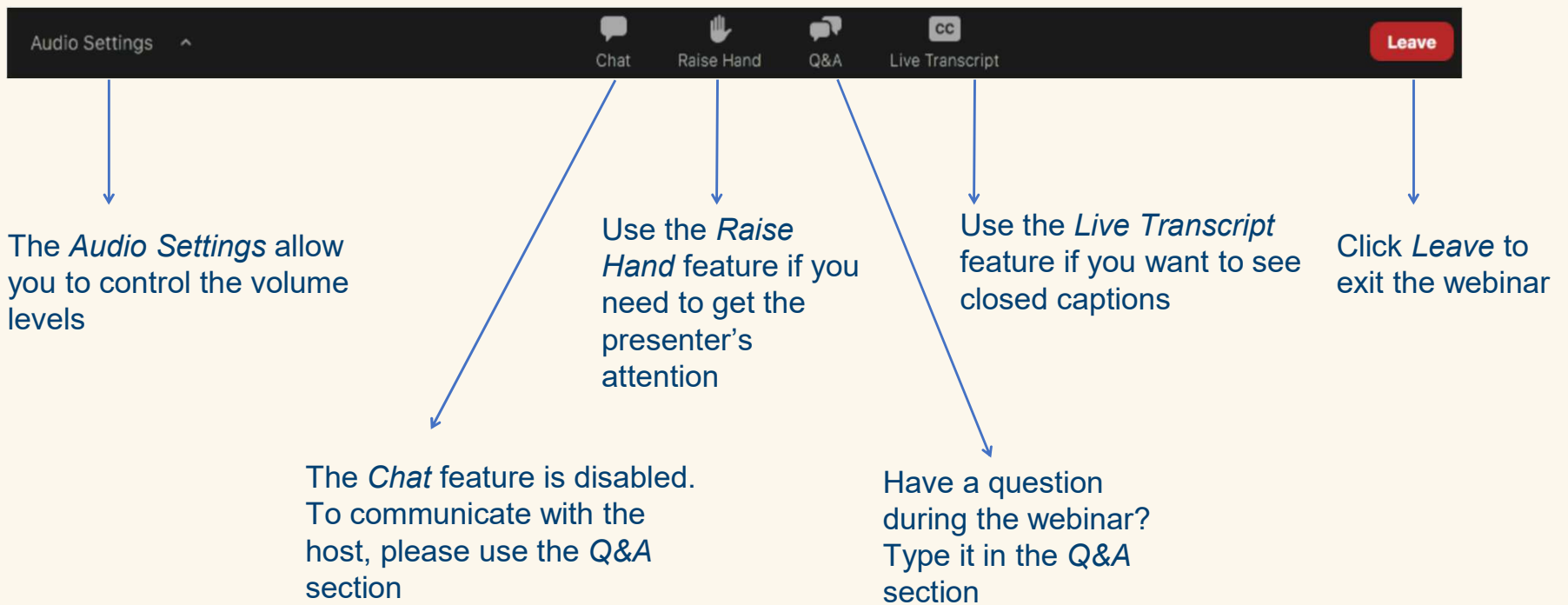
Financial Aid 101

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How to Participate





About MEFA

State authority created by the
Commonwealth of Massachusetts
in 1982, helping families plan,
save, and pay for college



Webinar Topics

- Types & Sources of Financial Aid
- The Application Process
- How Financial Aid Decisions Are Made
- Paying for College
- 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 and fastweb.com, and check with your school counselor

\$174.4 billion*: The total amount of aid students received in 2021-22

*Trends in Student Aid 2022, The College Board

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MA State Financial Aid

- States have different instructions for listing colleges on the FAFSA: studentaid.gov/apply-for-aid/fafsa/filling-out/school-list
 - In MA, the order of schools doesn't matter
- To apply for MA state financial aid, complete the FAFSA by May 1
- In MA, once students submit the FAFSA, they will receive an email or text message from the MA Office of Student Financial Assistance (OSFA) inviting them to log in to the MASSAid Portal to:
 - Access and track state financial aid (NOTE: there may be none)
 - Use the College Cost and Financial Aid Eligibility information tool
- In MA, state financial aid is directed to the school listed first on the FAFSA. However, once students create a MASSAid user account, they can indicate the school they will attend to receive their state aid there

The screenshot displays the MASSAid Portal interface. The header includes the MASSAid logo and the text "Massachusetts Department of Higher Education Office of Student Financial Assistance". A left sidebar contains navigation links: My Home, My MASSGrant, My Forms, Grant/Scholarship Online Applications, Email OSFA, Account Management, College Cost and Financial Aid Eligibility Information, and Logout. The main content area is titled "College Cost and Financial Aid Eligibility Information" and features a "Click Here" link to learn more about college costs and state financial aid programs. Below this, there are three bullet points: "View and compare the cost of the Massachusetts colleges you included on your FAFSA application," "View your 'expected family contribution' (EFC) - the amount the federal government estimates you and your family will need to pay towards the cost of college," and "View federal and state financial aid that you may be eligible for and update your eligibility by providing additional information." The interface also shows a "Welcome Bobby!" message with a "Name:" field, an "Address:" field, an "Email:" field, a "Phone:" field, and a "Cell Phone:" field. A "Select Update Student Info to receive text alerts from OSFA" link is present. A "Update Student Info" button is located at the bottom right. On the right side, there is a "My MASSGrant" section for the "Year 2023 to 2024" showing an "Award Status" of "Good news! Based on your interest in attending UNIVERSITY OF MASSACHUSETTS-AMHERST for the 2023-2024 school year, you are eligible for a MASSGrant award. (Select a different institution to see your MASSGrant eligibility there)." Below this, a table displays the award details:

Term	Amount	Status	Paid Date
Fall	\$600.00	ReadyToCertify	Pending
Spring	\$600.00	ReadyToCertify	Pending

Federal Direct Student Loans

- Student is the sole borrower
- No credit check
- Subsidized and Unsubsidized
- 4.99% fixed interest rate for 2022-23
 - Interest rate for 2023-24 will be set in May
- 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
 - Financial aid deadlines are usually close to or in line with admissions deadlines
- Early action/decision deadlines are often in October or November
- Standard deadlines are typically in February or March
- MEET APPLICATION DEADLINES!!
- 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 in the fall: fafsa.gov
- Log in with an FSA ID: fsaid.ed.gov
 - Both student and parent need one!
 - Keep both student and parent FSA IDs in a safe place
- Can pull in federal tax data from the IRS
- *Understanding the FAFSA* webinar
- MUST BE COMPLETED EVERY YEAR



A young woman with dark hair tied back is sitting at a wooden desk in a library, looking at a laptop. Behind her are tall wooden bookshelves filled with books. A green geometric shape is in the top left corner.

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



Additional info reported on the
FAFSA

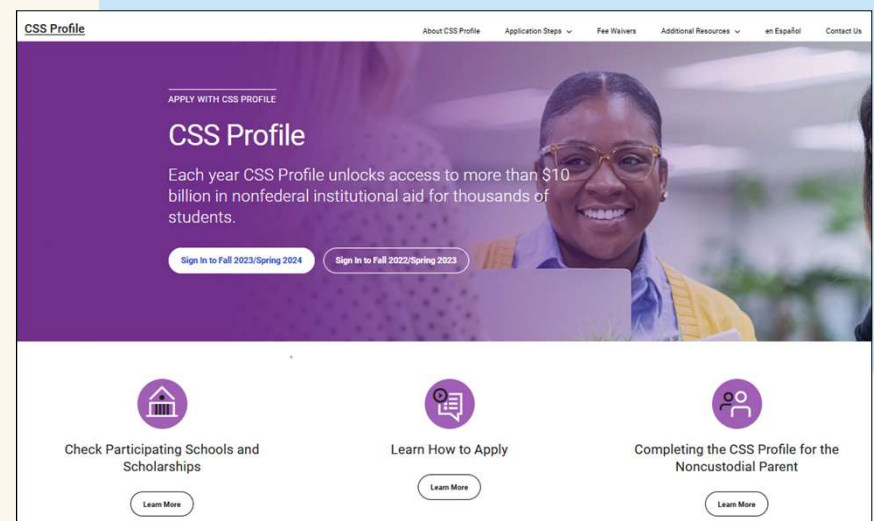
FINANCIAL INFORMATION

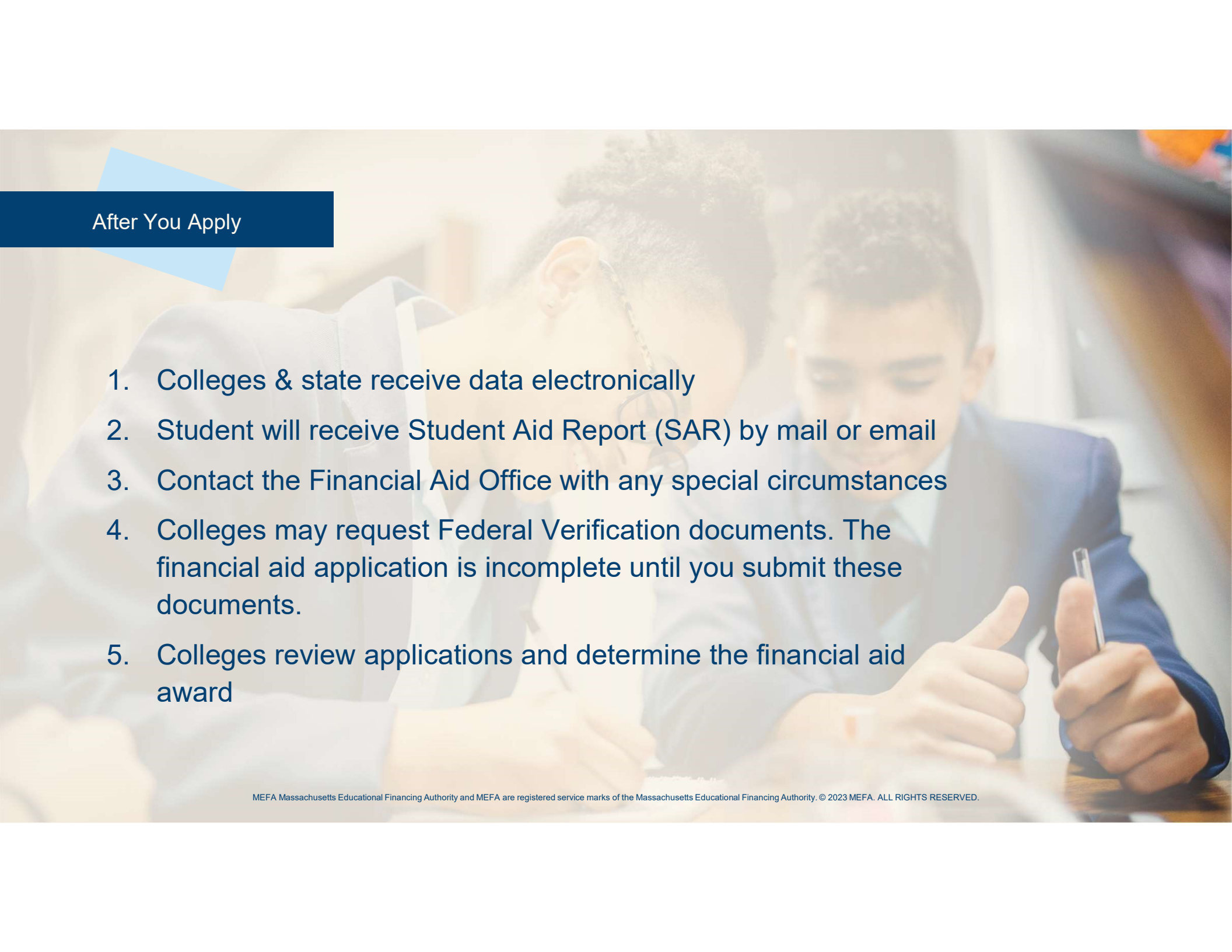
- Parent and student income (2022 income for the 2024-25 FAFSA)
 - Both taxed and untaxed
- Parent and student assets
 - Include: savings, checking, investments, other property
 - Include: all 529 accounts owned by the student or parent as a parent asset
 - Do not include: primary home, value of retirement, life insurance
- 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
 - *What to Know About the CSS Profile* webinar
- ### 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
- Create a family email address for the financial aid process so no requests are overlooked





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?
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

+

Food & Housing

+

Books & Supplies

+

Transportation

+

Personal Expenses

A man with grey hair, wearing a light blue button-down shirt, is seated at a desk. He is looking down at a laptop screen, which is partially visible in the foreground. The background is a softly blurred indoor setting with a wooden table and a framed picture on the wall.

Student Aid Index (SAI)

- Formerly called the 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 SAI 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 (name will change to SAI Calculator) on mefa.org

Financial Aid Formula

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

Cost of Attendance (COA)

-

Student Aid Index (SAI)

=

Financial Aid Eligibility

Financial Aid Awarding

College
Cost of Attendance
\$45,000

Unmet need and SAI
are the FAMILY's
responsibility

Unmet Need

\$5,000

Work-Study

\$2,000

Student Loans

\$5,500

Grant
Scholarship

\$17,500
\$10,000

SAI

\$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

Student Aid Index
(SAI)

\$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

Offer Letters: Types Can Vary

College
Cost of Attendance

\$45,000

Student Aid Index
(SAI)

\$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

College Financing:

PAYING FOR COLLEGE

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Filling SAI and Unmet Need

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

- What is each school's net price?
- Would starting at community college save significant \$?
- Consider the number of children you will send to college
- Think in terms of total debt (4+ years of school) & potential starting salary
- Is the student considering graduate school?

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)

Massachusetts Educational Opportunity Centers

- Non-profit providing free financial aid help and career readiness services
- Schedule an appointment with an education advisor
- 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 *Financial Aid 101* 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 *Understanding Financial Aid Offers & Paying the College Bill* webinar
- Attend college open house programs
- Choose your college by May 1st

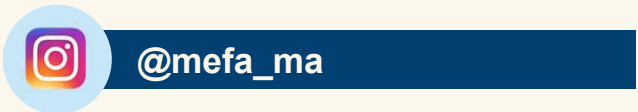
View an extended timeline at: mefa.org/college-admissions-and-financial-aid-timeline



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

Connect with MEFA on Social Media



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Thank You

QUESTIONS?

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

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