

# What to Expect When You Receive Your Financial Aid Offers and Guidance on Paying the College Bill

*mefa*<sup>®</sup>



## About MEFA

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

A decorative graphic consisting of two horizontal orange bars, one above and one below a central dark blue bar. The dark blue bar contains the main text. The orange bars are partially obscured by the dark blue bar. There are also two dark blue triangular shapes pointing towards the center, one above and one below the orange bars.

**Congratulations on your college  
acceptances, students and parents!**





## Webinar Topics

- Understanding and Comparing Financial Aid Offers
- Methods to Paying the College Bill
- What's Next
- Resources



# Understanding and Comparing Financial Aid Offers

# Understand Your Financial Aid Offers

Financial aid offers should start arriving in April.

## 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	\$51,510

Financial aid offers will look different from each other!

Accept all or part by the college deadline (May-June)



## 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

## Federal Direct Student Loans

- Student is the borrower
- No credit check
- Fixed interest rate changes annually
  - 5.50% for 2023-24 (2024-25 rate announced in May)
- Two types
  - **Subsidized:** Interest accrues after student leaves school
  - **Unsubsidized:** Interest accrues immediately
- 1.057% fee deducted from loan amount
- Promissory Note & Entrance Counseling
- 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



## Calculating the Balance Due

### College Charges

- Tuition
- Fees
- Housing
- Food
- Health Insurance

**COLLEGE CHARGES**

-

**FINANCIAL AID & ENROLLMENT DEPOSIT**

=

**BALANCE DUE**

## Compare Financial Aid Offers

Use MEFA's **College Cost Calculator** to compare financial aid offers:

- Break down and compare the cost of attendance at each college.
- Compare how much free money each school is offering in grants and scholarships
- Calculate the net cost at each school

The screenshot displays the MEFA College Cost Calculator interface. At the top, there are three input fields for 'College Name', each with a 'School' dropdown menu. Below this, the calculator is organized into several sections, each with a dark blue header and an information icon (i):

- ANNUAL COSTS**: Includes fields for Tuition & Fees, Food and Housing, Books & Supplies, Health Insurance, and Other Costs.
- ANNUAL GIFT AID**: Includes fields for Federal Pell Grant, Federal SEOG, State Grant/Scholarships, College Grants/Scholarships, and Outside/Private Scholarships.
- STUDENT LOANS**: Includes fields for Federal Direct Subsidized Loan, Federal Direct Unsubsidized Loan, and School-Specific Student Loan.
- OTHER RESOURCES**: Includes fields for Work-Study and Other Resources/Savings.

At the bottom of the form, there is a summary table with four columns corresponding to the three schools and a total column. The rows in the table are:

	School 1	School 2	School 3	Total
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](https://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
- Think about potential graduate school
- Limit borrowing
- Select an affordable college that makes financial sense!





## Appeals

- Families can contact the financial aid office to discuss the financial aid offer
- Clarification of unique circumstances or change in circumstance
  - Income
  - Assets
  - Unreimbursed medical expenses
  - Household expenses
  - Household size
- Work with the financial aid office
  - Timing
  - Format: Follow instructions, which may include:
    - School appeal form
    - Student letter
    - Third-party letter
    - Documentation
  - Financial aid office will review appeal and make adjustments
  - Financial aid office will send appeal decision letter

The background features a central dark blue horizontal bar containing the title. This bar is flanked by two lime green rectangular blocks, one above and one below. The top green block is partially obscured by a dark blue triangular shape pointing downwards. The bottom green block is partially obscured by a dark blue triangular shape pointing upwards.

# Methods to Paying the College Bill

# Private Scholarships

## Resources

- School counselors
- Community organizations
- Foundations
- Non-profits
- Corporations
- **Never pay to apply for a scholarship**
- **Search online:**
  - [mefapathway.org](https://mefapathway.org)
  - [CollegeBoard.org](https://CollegeBoard.org)
  - [Fastweb.com](https://Fastweb.com)
- **Follow MEFA on social media for scholarship alerts**



## Savings

- 529 college savings plans
- Prepaid tuition plans
- Savings bonds
- Stocks
- CDs
- Student bank accounts
- Other investments
- Contributions from family members



## Utilizing Savings from the U.Plan & U.Fund



### U.Plan Prepaid Tuition Program

- 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 (888) 590-5653

### U.Fund College Investing Plan

- Visit [fidelity.com/saving-for-college/529-plan-distributions](https://fidelity.com/saving-for-college/529-plan-distributions) 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



## **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



## Borrowing: Be Wise

1. Know your credit history
2. Borrow only what you need
3. Think in terms of total enrollment (4+ years) and total debt
  - Consider the post-graduation monthly repayment
4. Consider major/career, employment rates, & starting salary
5. Understand:
  - Fixed or variable interest rate
  - Repayment timeline
  - Responsibility of all borrowers
6. Multiple credit inquiries in a short period only count as one inquiry
7. Attend one of our *Comparing College Loan Options* webinars
  - Wednesday, June 5<sup>th</sup> @ noon
  - Wednesday, July 10<sup>th</sup> @ 6:30 p.m.

# Understand the Cost of Borrowing

[mefa.org/pay/loan-payment-calculator](https://mefa.org/pay/loan-payment-calculator)

	<u>Immediate Repayment: 10 Years</u>	<u>Immediate Repayment: 15 Years</u>	<u>Interest-Only Repayment: 15 Years</u>	<u>Deferred Repayment: 15 Years</u>	<u>Student Deferred with Co- borrower Release: 15 Years</u>
<b>Amount to borrow:</b> \$20,000					
<b>Years before graduation:</b> 4 years					
<b>Parent or other co-borrower's credit profile:</b> <input type="radio"/> Good <input checked="" type="radio"/> Very Good <input type="radio"/> Exceptional					
	<b>Calculate</b>				
<b>In-School Monthly Payment</b>	\$224.16 for 48 months	\$173.16 for 48 months	\$111.05 for 48 months	\$0.00 for 48 months	\$0.00 for 48 months
<b>Post-School Monthly Payment</b>	\$224.16 for 72 months	\$173.16 for 132 months	\$215.78 for 132 months	\$273.16 for 132 months	\$275.38 for 132 months
<b>Total Cost of Loan</b>	\$26,899.20	\$31,168.80	\$33,813.36	\$36,057.12	\$36,350.16
<b>Interest Rate</b>	5.99%	6.24%	6.59%	6.64%	6.74%
<b>APR</b>	4.89% - 6.64% **	5.24% - 6.74% **	5.74% - 6.94% **	5.89% - 6.89% **	6.04% - 6.99% **
	<b>Loan Details</b>	<b>Loan Details</b>	<b>Loan Details</b>	<b>Loan Details</b>	<b>Loan Details</b>



A Pathway to Paying  
the \$20,000 Balance Due

Balance		\$20,000
<b>Savings</b>		
	Student Savings	-\$1,000
	Parent Savings	-\$4,000
<b>Current Income</b>		
	Parent Contribution to Payment Plan	-\$5,000
<b>Borrowing College Loans</b>		
	College Loan	-\$10,000
		\$0



# What's Next





## If You Have Not Applied for Aid

- Submit the FAFSA at [fafsa.gov](https://fafsa.gov) ASAP for federal and state aid
- The Massachusetts financial aid deadline is May 1st
- Federal aid, including Direct Loans, is available all year
- Many college financial aid deadlines have passed
- Payment plans are open to all
- Anyone may apply for private loans



## Timeline

- Pay any enrollment deposit required by the college deadline
- Fall semester bill: sent in June/July, due in July/August
- Apply for educational loans at least 2 weeks before the bill deadline
- Set up payment plans according to the college schedule



A young man with light brown, wavy hair is smiling and looking towards the camera. He is wearing a white t-shirt with red sleeves and has a grey backpack strap over his shoulder. He is standing in a school hallway with other students blurred in the background. The lighting is bright and natural, suggesting an indoor setting with large windows.

## 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





# Resources

# Financial Aid Office

## Learn About Your Financial Aid

- Financial aid renewability criteria (financial, academic)
- Will receiving a private scholarship affect your financial aid?

## Ask About Special Considerations

- Changes in family circumstances (Job loss, income changes)
- Can you appeal your offer? How?

## How to Contact the Financial Aid Office

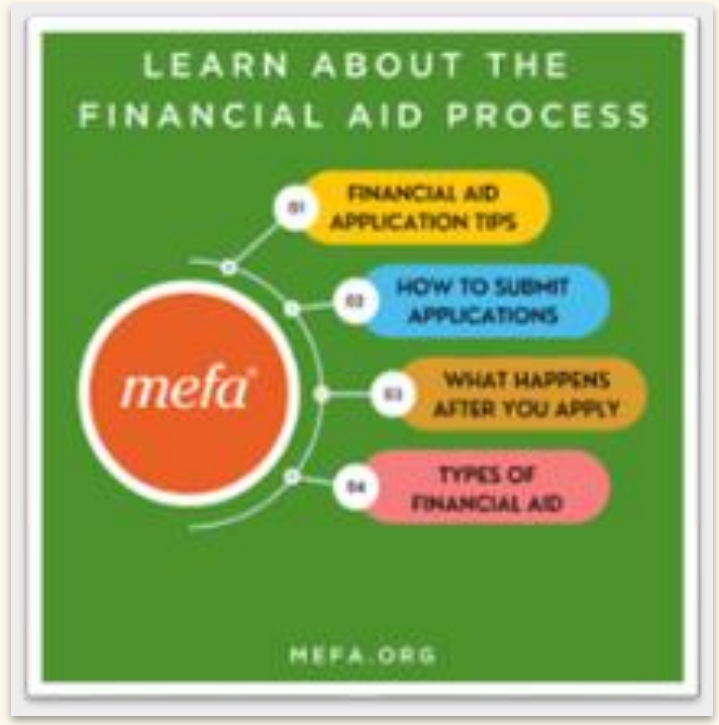
- Phone call
- Email
- Chat (if offered)

## MEFA as Your Resource

- Sign up for MEFA emails to stay on track at [mefa.org/sign-up-for-emails](https://mefa.org/sign-up-for-emails)
- Find webinars, calculators, videos, & more at [mefa.org/how-to-pay-for-college](https://mefa.org/how-to-pay-for-college)
- Read MEFA's blog posts at [mefa.org/blog](https://mefa.org/blog)
- Listen to the MEFA Podcast wherever you get your podcasts
- Take advantage of one-on-one counseling with the MEFA team
  - Phone: (800) 449-MEFA (6332)
  - Email: [collegeplanning@mefa.org](mailto:collegeplanning@mefa.org)
  - Virtual appointment request: [mefa.org/appointment-request](https://mefa.org/appointment-request)



# MEFA's Guidance



**Active Social Media Network**  
 Posts on [Facebook](#), [Twitter](#), [Instagram](#), and [LinkedIn](#)

**Specialized Appointments**  
 Experts available offering [one-on-one guidance](#)



**Community-Based Virtual and In-Person Events**  
 Informative and timely [webinars](#) and seminars



**The MEFA Podcast**  
[Conversations with experts](#) on a range of topics



**Videos**  
 An extensive [video library](#) on college planning



**Blog Posts**  
 Regular [blog posts](#) on all aspects of college planning

## Connect with MEFA on Social Media



[facebook.com/mefaMA](https://facebook.com/mefaMA)



[@mefa\\_ma](https://instagram.com/@mefa_ma)



[@MEFAtweets](https://twitter.com/@MEFAtweets)



[linkedin.com/company/mefa](https://linkedin.com/company/mefa)



[youtube.com/MEFAcounselor](https://youtube.com/MEFAcounselor)



[mefa.org/mefa-podcast](https://mefa.org/mefa-podcast)

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Thank You

**QUESTIONS?**

Call (800) 449-MEFA (6332)  
or email [collegeplanning@mefa.org](mailto:collegeplanning@mefa.org)

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