



Financial Aid Offers and the College Bill

MEFA[™]

About MEFA

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



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 March.
- Types of aid:
 - Grants/Scholarships
 - Work-study
 - Loans
- Sources of aid:
 - Federal
 - State
 - Colleges
- Financial aid offers will look different from each other!
- Accept all or part by the college deadline (usually May 1st)

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

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
 - 6.53% for 2024-25 (2025-26 rate announced in May)
- Two types
 - Subsidized: Interest accrues after student leaves school
 - Unsubsidized: Interest accrues immediately
- 1.057% fee deducted from loan amount
- No payments while in school and several repayment options
- Promissory Note & Entrance Counseling: [StudentAid.gov](https://studentaid.gov)

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



College Name	School	School	School	School	School
Annual Costs					
Tuition & Fees	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Food & Housing	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Books & Supplies	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Health Insurance	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other Costs	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Annual Gift Aid					
Federal Pell Grant	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Federal SEOG	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
State Grant/Scholarships	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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 for More Aid

- Share unique circumstances or change in circumstances
 - Drop in income or assets
 - Unreimbursed medical expenses
 - New household expenses
 - Change in family size
- Follow financial aid office guidelines
 - Timing
 - Format
 - School appeal form
 - Student letter
 - Third-party letter
 - Documentation
- Financial aid office will review appeal, make adjustments, and send decision letter

MEFA webinar **What to Know About Financial Aid Appeals**

 Sherri Avery Brandeis University	 Kenneth Ferreira Suffolk University
 Kevin Deruosi Salem State University	 Alcira Zadroga Fitchburg State University

Moderated by:  **Stephanie Wells**
Director of College Relations



Methods to Paying the College Bill

Private Scholarships

- Resources

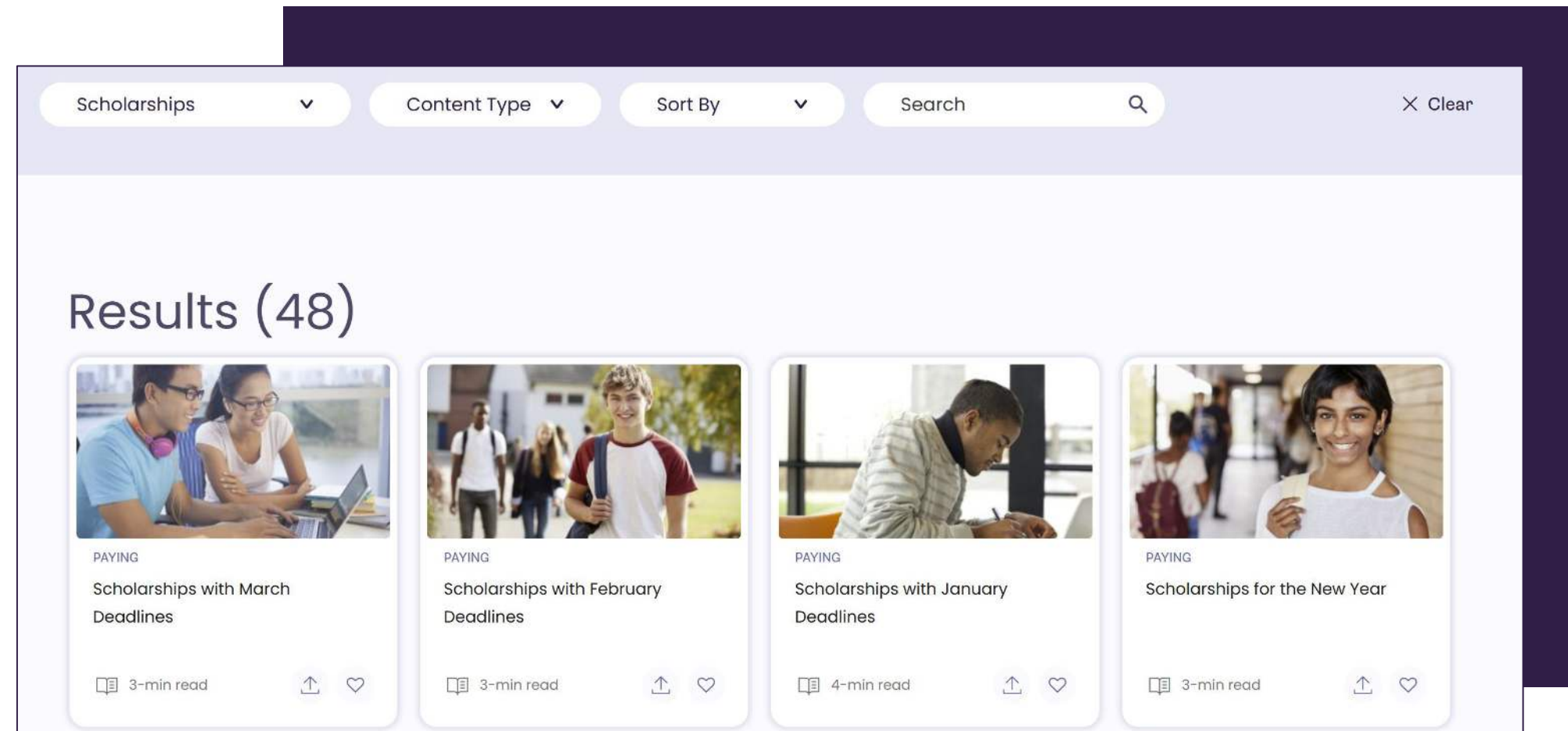
- School counselors
- Community organizations
- Foundations
- Non-profits
- Corporations

- Never pay to apply for a scholarship

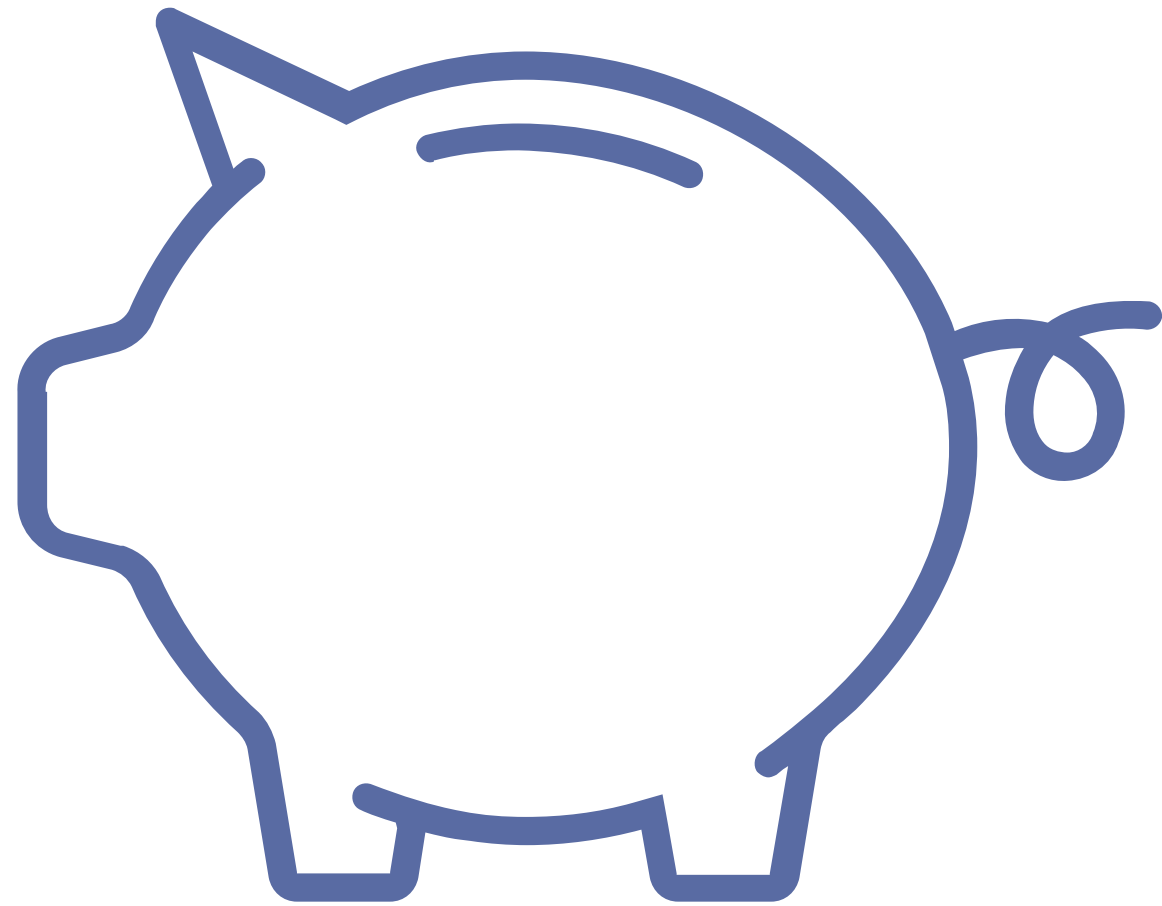
- Search online:

- mefa.org articles
- mefapathway.org
- CollegeBoard.org
- Fastweb.com

- Follow MEFA on social media for scholarship alerts



Savings

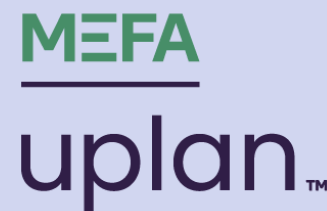


- 529 college savings plans
- Prepaid tuition plans
- Savings bonds
- Stocks
- CDs
- Student bank accounts
- Other investments
- Contributions from family members

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 to:
 - Obtain a 529 College Investing Plan Distribution Form
 - Set up BillPay[®] to send funds directly to the college
- Questions? Call (800) 544-2776



Current Income

- 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

- Know your credit history
- Borrow only what you need
- Think in terms of total enrollment (4+ years) and total debt
 - Consider the post-graduation monthly repayment
- Consider major/career, employment rates, & starting salary
- Understand:
 - Fixed or variable interest rate
 - Repayment timeline
 - Responsibility of all borrowers
- Multiple credit inquiries in a short period only count as one inquiry

Attend an upcoming Comparing College Loan Options webinar

- Thursday, June 5th @ noon
- Tuesday, July 8th @ 6:30 PM



Understand the Cost of Borrowing



Amount to Borrow: 15000 Years Before Graduation: 4 Years Borrower or Co-Borrower's Credit: Good **Calculate**

	Immediate Repayment: 10 Years	Immediate Repayment: 15 Years	Interest-Only Repayment: 15 Years	Deferred Repayment: 15 Years	Student Deferred with Co-borrower Release: 15 Years
In-School Monthly Payment*	\$188.62 for 48 months	\$151.19 for 48 months	\$113.56 for 48 months	\$0.00 for 48 months	\$0.00 for 48 months
Post-School Monthly Payment*	\$188.62 for 72 months	\$151.18 for 132 months	\$181.70 for 132 months	\$242.05 for 132 months	\$243.92 for 132 months
Total Cost of Loan	\$22,634.40	\$27,212.88	\$29,435.28	\$31,950.60	\$32,197.44
Interest Rate	8.50%	8.65%	8.95%	8.75%	8.85%
APR**	5.75% - 8.50%	6.00% - 8.65%	7.15% - 8.95%	6.73% - 8.75%	6.81% - 8.85%

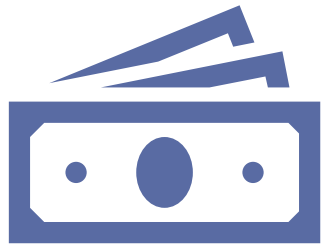
A Pathway to Paying a \$20,000 Balance Due

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

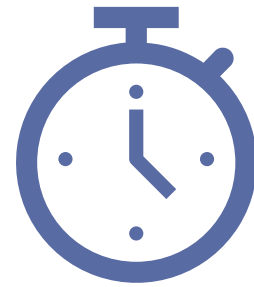


What's Next

If You Have Not Applied for Aid



Submit the FAFSA at 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 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:
 - Formally accept your spot on the waitlist
 - Write a short note to the admissions counselor
 - Update the school with recent grades and awards
 - Keep in touch with the school over social media
 - Watch your email for updates



Resources

Financial Aid Office

Learn About Your Financial Aid	<ul style="list-style-type: none">• Financial aid renewability criteria (financial, academic)• Will receiving a private scholarship affect your financial aid?
Ask About Special Considerations	<ul style="list-style-type: none">• Changes in family circumstances (Job loss, income changes)• Can you appeal your offer? How?
How to Contact the Financial Aid Office	<ul style="list-style-type: none">• Phone call• Email• Chat (if offered)

MEFA as Your Resource

Sign up for MEFA emails to stay on track



Listen to the MEFA Podcast wherever you get your podcasts





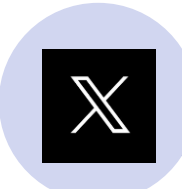



Access MEFA's Resource Center to find articles, videos, calculators, and webinars



Take advantage of one-on-one counseling with the MEFA Team
Request a virtual appointment:



Connect with MEFA

-  facebook.com/mefaMA
-  [@mefa_ma](https://www.instagram.com/mefa_ma)
-  [@MEFAtweets](https://twitter.com/MEFAtweets)
-  linkedin.com/company/mefa
-  youtube.com/MEFAcounselor
-  mefa.org/mefa-podcast

Thank You!

Questions?



(800) 449-MEFA (6332)



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