



FINANCIAL AID

Understanding Financial Aid:

Funding for Education Beyond High School

Presented by:
The NHHEAF Network Organizations'
Center for College Planning



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our free monthly e-newsletter,
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Agenda

- Defining financial aid
- Applying for financial aid
- Putting together the award package
- Understanding federal financial aid programs
- Managing the cost beyond financial aid
- Searching for scholarships



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Financial Aid Timelines Are Not One-Size Fits All

- **WHERE** is your student applying?
- **HOW** is your student applying?
- **WHEN** is the college's deadline?

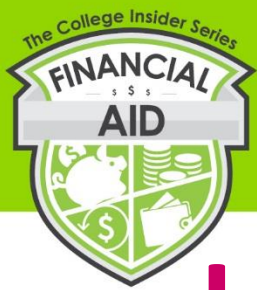


Consider keeping a college calendar or spreadsheet. See ours on page 11 of The Financial Aid Insider!



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Understanding Financial Aid

Financial aid philosophy:

While financial aid can make college more affordable, parents and students are expected to take **primary responsibility** for paying for post-secondary education

Primary goal:

To assist students in paying for college

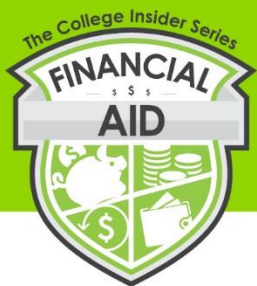
Achieved by:

- Evaluating a family's ability to pay for educational costs (EFC)
- Distributing limited resources in an equitable manner
- Providing a balance of gift aid and self-help aid (when available)



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Types of Financial Aid

- **Gift aid**
 - **Merit-based (scholarships)**
Academic, artistic, athletic talent, community service, leadership
 - **Need-based (grants)**
Based on the family's finances
- **Self-help aid**
 - **Federal loans**
 - **Work-study**



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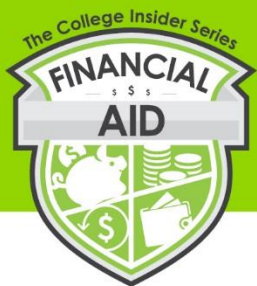
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How to Apply for Financial Aid



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Application Forms

- **FAFSA** (Free Application for Federal Student Aid)
fafsa.gov
- **CSS Profile**
cssprofile.org

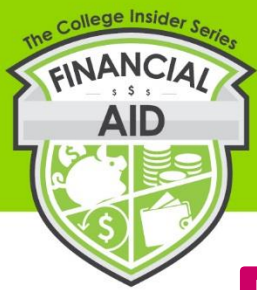
In order to ensure maximum consideration for federal, state and institutional aid, check with each school to determine:

- Required application forms
- Application deadlines (Note: different forms may have different deadlines!)



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FAFSA (*Free Application for Federal Student Aid*)

Goal of the FAFSA:

To collect a family's personal and financial information in order to calculate the *Expected Family Contribution* (EFC)

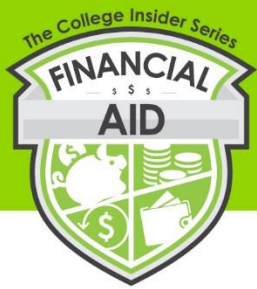
The **EFC** is the amount of money, as determined by federal methodology, that represents the family's ability to pay for one year of college

The FAFSA must be filed every year the student is in school



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fafsa.gov

Completing and processing the FAFSA is **FREE**

Need money for college?

Complete the FAFSA® (*Free Application for Federal Student Aid*) form to apply for financial aid for college, career school, or graduate school.

NEW TO FAFSA.GOV?

Submitting the FAFSA form is quick, and most importantly, it's FREE. Get started today.

RETURNING USER?

- Make a correction
- Add a school
- View your *Student Aid Report (SAR)*

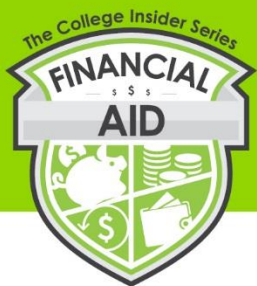
START HERE > **LOG IN >**

*Have questions?
FAFSA
twitter account
@FAFSA
Chat online with
FAFSA Specialist
Call 1-800-4-FEDAID*



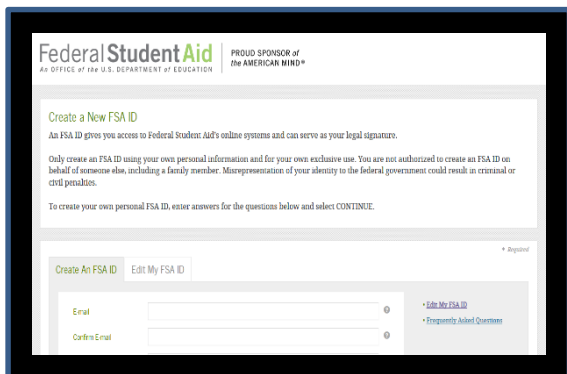
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To Electronically Sign the FAFSA



When does a parent use an FSA ID?

- To utilize the DRT and transfer tax information into the student's FAFSA
- To make updates to the student's completed FAFSA
- To complete Federal Direct PLUS loan application (if desired)

fsaid.ed.gov

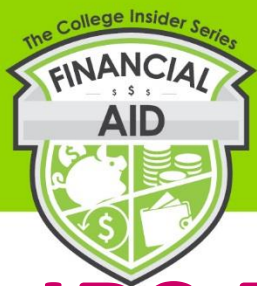
When does a student use an FSA ID?

- To log into their FAFSA form
- To make any updates to their completed FAFSA
- To complete the MPN and Entrance Counseling for the Federal Direct Loan (if desired)



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IRS Data Retrieval Tool (DRT) Tips

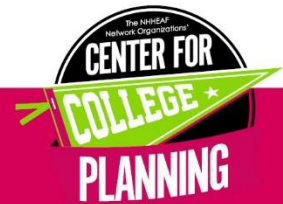
- The taxpayer's name must be listed in the DRT exactly as it is listed on the tax return
- The address entered into the DRT must match the address listed on the tax return
- Those who file as "Married Filing Separately" or complete an amended return are not eligible to use the DRT
- If a parent has a change in marital status after the end of the tax year, he/she cannot use the DRT



Always try using the DRT. It may help students and/or parents by-pass many verification questions



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Frequently Asked Questions

- Whose FAFSA is it?
- When is the deadline to complete the FAFSA?
- Which year's tax return do we use?
- Who qualifies as an independent student?
- Which parent(s) are included on the FAFSA form?
- What if I have more than one child in college at one time?
- What if I have a "special circumstance" I want to share, where does it get reported on the FAFSA form?



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What is Considered Income?

- Wages
- Rental income
- Interest and ordinary dividends
- Cashed in pensions, annuities and IRAs
- Child support received *for all children in the house*



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What is Considered An Asset?

- Cash, checking and savings
- CDs, stocks, bonds, money markets, mutual funds (*that are not in retirement accounts*)
- Equity of any property *other than primary residence*
- 529s for all children
- Coverdell accounts
- UTMA and UGMA accounts



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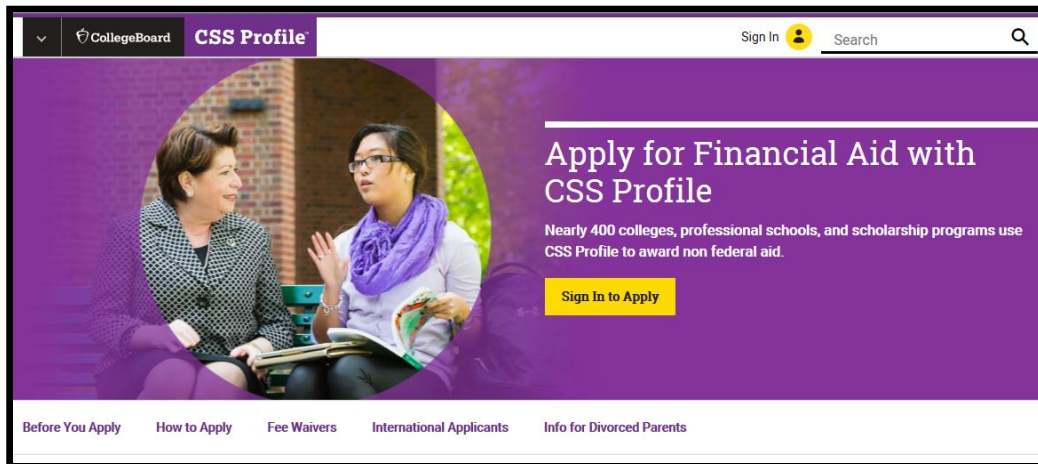
Income and Asset Information

	Parent	Student
<i>NOT</i> Included	<ul style="list-style-type: none"> • Primary residence • Retirement funds (401k, 403b, IRAs including Roth) • Annuities and insurance policies • Value of family-owned businesses (if less than 100 employees) 	<ul style="list-style-type: none"> • Student-owned retirement funds (IRAs including Roth)
Income	<p>22%--47% of available income</p> <ul style="list-style-type: none"> • Wages • Rental income • Interest & ordinary dividends • Cashed in pensions, annuities and IRAs • Child support <u>received</u> <i>for all children in the house</i> 	<p>50% of Adjusted Gross Income over \$6,840</p> <ul style="list-style-type: none"> • Wages • Interest and ordinary dividends
Assets	<p>0%--5.64% of assets</p> <ul style="list-style-type: none"> • Cash, checking and savings • CDs, stocks, bonds, money markets, mutual funds • Equity of any property <i>other than primary residence</i> • Coverdells, 529s <u>for all children</u> 	<p>20% of assets</p> <ul style="list-style-type: none"> • Cash, checking and savings • UTMA & UGMA accounts • Savings bonds (in their name)
Asset Protection (2020--2021)	<p>Based on age of eldest parent</p> <p>45 yr. old parent: Married – \$5,500 OR Single - \$1,900 is protected 58 yr. old parent: Married – \$9,400 OR Single - \$3,000 is protected</p>	<p>80% protected <i>(as noted above, 20% is used in the EFC calculation)</i></p>



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CSS Profile



- Use *student's* College Board log-in and password to access form
- \$25 fee for first school and \$16 for each additional school
- If applicable, fee waiver is granted during registration

cssprofile.org



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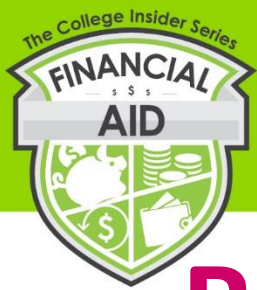
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Putting Together the Award Package



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Role of the Financial Aid Office

- **Reviews FAFSA information** - Once the student has been accepted to the college, the financial aid office needs to **verify** information provided by both students and parents

NOTE: Schools may ask the parent(s) and students to provide a **tax transcript** if unable to use the **IRS data retrieval tool**

- **Creates a financial aid award package** - Once the FAFSA has been verified, the financial aid office will determine the student's eligibility for federal, state and institutional financial aid



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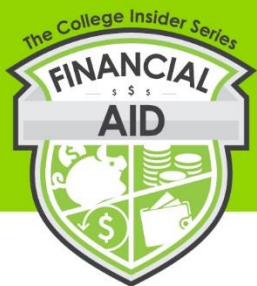
Federal and Institutional Gift Aid

- **Institutional aid**
 - Scholarships and grants from the college or university
- **Federal grant programs**
 - **Federal Pell Grant**
 - 2019-2020 eligibility - EFC is \$5,576 or less
 - **Federal Supplemental Educational Opportunity Grant (FSEOG)**



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Federal Self-Help Aid

Federal Direct Loans

- Fixed interest rate: (4.52%; with 1.059% origination fee)
- Repayment starts 6 months after graduation
- 10-30 yr. repayment period, deferments available
- Some loan forgiveness available

Subsidized – interest does not accrue while in-school

Unsubsidized – accrues interest while in-school

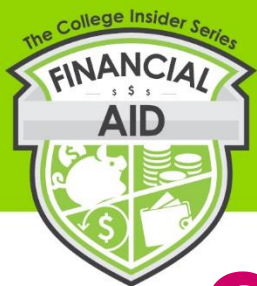
Federal Work-Study – Need-based campus employment

- Students may be awarded work-study by the college based on their “financial need”
- Students are responsible for searching and applying for these positions
- Students will receive a bi-weekly paycheck for the money earned; it is not money that comes directly off the tuition bill



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Calculating “Financial Need”

Cost of Attendance (COA)

– **Expected Family Contribution (EFC)**

= **Demonstrated Financial Need ***

*** Need refers to a student’s maximum eligibility for financial aid**

Note:
Colleges that use the CSS Profile calculate their own EFC for institutional aid. Ask each college how they calculate financial need.



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Building a Financial Aid Package

Cost of Attendance	\$55,000	Eligibility	\$40,000
Expected Family Contribution (EFC)	<u>-\$15,000</u>	- Financial Aid	<u>\$25,500</u>
Eligibility for Financial Aid	\$40,000	GAP	\$14,500

Financial Aid Package

- Presidential Scholarship	\$10,000	GAP	\$14,500
- University Grant	\$7,500	+ EFC	\$15,000
- Federal Stafford/Direct Loan (sub.)	\$3,500	+ Work Study	<u>\$ 2,500</u>
- Federal Stafford/Direct Loan (unsub.)	\$2,000	Due to School	\$32,000
- Federal Work Study	<u>\$2,500</u>		
Total Award	\$25,500		



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Building a Financial Aid Package

Cost of Attendance	\$30,000
<u>Expected Family Contribution (EFC)</u>	<u>-\$15,000</u>
Eligibility for Financial Aid	\$15,000

Eligibility	\$15,000
<u>- Financial Aid</u>	<u>\$9,500</u>
GAP	\$5,500

Financial Aid Package

- Scholarship	\$2,500
- Federal Stafford/Direct Loan (sub.)	\$3,500
- Federal Stafford/Direct Loan (unsub.)	\$2,000
- Federal Work Study	\$1,500
Total Award	\$9,500

GAP	\$5,500
+ EFC	\$15,000
<u>+ Work Study</u>	<u>\$1,500</u>
Due to School	\$22,000



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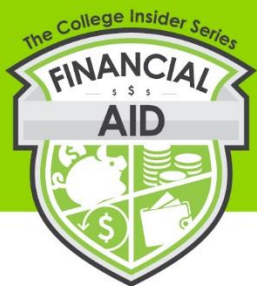
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Managing the Cost Beyond Financial Aid



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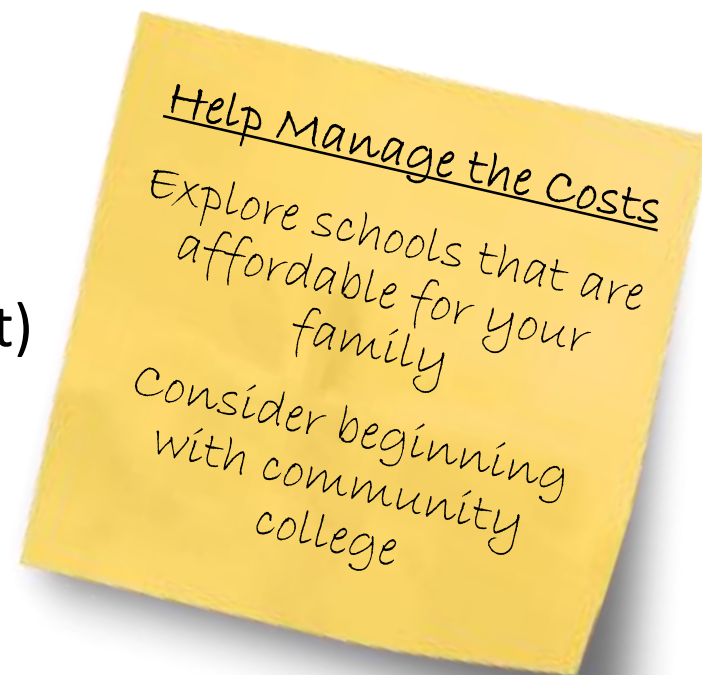




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Options for Funding

- Current income and savings
- Tuition payment plan
- Federal/Direct **PLUS** Loan
(**P**arent **L**oan for **U**ndergraduate **S**tudent)
 - **7.08%** fixed interest rate;
 - **4.236%** origination fee
- Private (alternative) student loan
 - State-sponsored programs
 - Banks and credit unions



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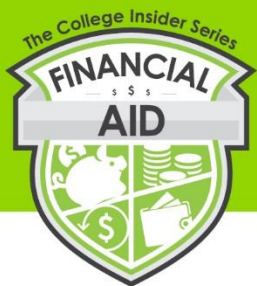
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Scholarship Search



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National Search

Typically apply during the fall of senior year

College Board Search

collegeboard.org

FastWeb Scholarship Search

fastweb.com

Tip

Create an appropriate and unique email address as you will receive lots of emails!

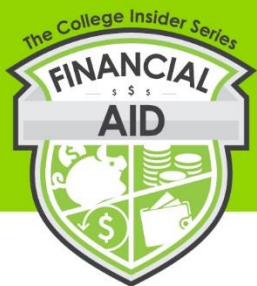
CAUTION:

Do not pay money to get money!



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Local Search

High School's School Counseling Office

They will have information about local scholarships for students from your town, school district and state

New Hampshire Charitable Foundation Scholarships for New Hampshire residents

Statewide Student Aid Program – Enrolling in 4 year degree program
(Application available 2/1; 4/17 deadline)

Career Aid to Technical Students Program – Enrolling in 2 year degree program
(Application available 2/1; 6/15 deadline)

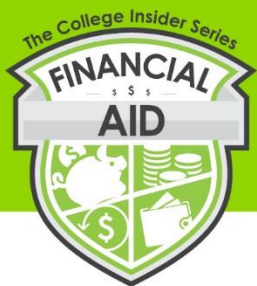
1-800-464-6641

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And One Local Scholarship...

Calling All HS Seniors:

Keynote Speech Contest

Win a \$1,000
scholarship!



Submit a 3 to 5 minute speech describing your college application experience and offering your advice for the class of 2021.

Applications due Friday, 2/14/19!

Get the details at destinationcollege.org



Saturday
March 28, 2020
Saint Anselm College



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Questions?

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