

# Financing Your Education 2010-2011



OFFICE OF  
FINANCIAL  
—AID—

MICHIGAN STATE  
UNIVERSITY

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# Topics We Will Discuss Tonight

- Types of Aid
- Application Process (i.e. FAFSA)
- Cost of Attendance & Expected Family Contribution (EFC)
- Special Circumstances
- Information & Reminders
- Q & A



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# How Can You Pay for College?

- Savings
- Scholarships
- Federal/State/University aid (from the FAFSA)
- Working while in school
- Private funding



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# Savings

- Michigan Education Trust (MET)
- Michigan Education Savings Plan (MESP)
- Any way you can
- Good for you!



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# Scholarships

- Merit-based
- Don't have to pay back



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# Scholarships—Where to Look

- Colleges or universities
- Guidance office
- Parent employers or organizations
- Businesses
- Anywhere!



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# Private Scholarship Searches

- College Answer – [www.collegeanswer.com](http://www.collegeanswer.com)
- Fastweb – [www.fastweb.com](http://www.fastweb.com)

# How to Get Need-Based Aid

- Fill out a FAFSA!
- FAFSA stands for: **F**ree **A**pplication for **F**ederal **S**tudent **A**id
- You will need a PIN to sign your application form [www.pin.ed.gov](http://www.pin.ed.gov)
- File on-line at [www.fafsa.ed.gov](http://www.fafsa.ed.gov)



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# On-line FAFSA benefits

- Built-in edits to prevent costly errors
- Skip-logic allows skipping unnecessary questions
- More timely submission of original application and any necessary corrections
- More detailed instructions and “help” for common questions
- Ability to check application status on-line
- Simplified renewal application process



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# What You Need When Filing

- Social Security card and driver's license
- W-2 Forms or other records of income earned
- Student 2009 Federal Income Tax Return
- Parent 2009 Federal Income Tax Return
- Records of other untaxed income received such as social security benefits, veteran's benefits, or military or clergy allowances
- Current bank statements and records of stocks, bonds, and other investments
- Business or farm records, if applicable

- Complete a FAFSA on the Web Worksheet



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# Sections of the FAFSA

- Student Personal Information
- Student Income and Asset Data
- Parent Personal Information
- Parent Income and Asset Data



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# Student Personal Information

- General info – name, address, phone, citizenship, birth date
- SSN – accuracy here is very important
- Question 23 – drug conviction – do NOT leave blank!



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# Student Income & Asset Data

- Tax filing status and info from 1040 form
- Untaxed income
- Net worth of assets
  - Cash in accounts
  - Rental property, investments, business value



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# Parent Personal Information

- Marital status
- Family size
- Number in college other than parent(s)
- Social Security numbers of parents



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# Parent Income & Asset Data

- Tax filing status, information from the 1040
- Untaxed income

Net worth of assets

- Cash in accounts
- Rental property, investments, business value



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# Asset Reporting

- Starting with 2007-2008, the law changed in regard to how 529 plans like MET (Michigan Education Trust) are reported on the FAFSA
- Dollar value of ALL contracts held by the custodial parent (not just the one for this student) as of the date of filing the FAFSA
- Report as Investment (FAFSA question 92)



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# Assets Not Included

- Value of primary residence
- Retirement accounts

# Who is the Parent?

- Parents both living and married to each other
  - Both of them
- Parent widowed or single
  - That parent only
- Parents divorced or separated
  - The parent the student lived with most in the last 12 months
- Divorced or widowed parent is remarried
  - Both that parent and his or her current spouse



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# Student Dependency Questions

- Over 24 by January 1 of the award year
- Graduate student
- Married at time of filing
- Supporting dependents
- Veteran
- Orphan, Ward of the Court, Foster Care Youth, Emancipated Minor, or Homeless Youth

Most high school students will be dependent  
You cannot “declare” a student independent



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# Common Filing Errors

- Incorrect SSN numbers
- Divorced/remarried parental information
- Income earned by parents/stepparents
- Untaxed income
- U.S. income taxes paid
- Household size
- Number of household members in college
- Child support received/child support paid
- Real estate and investment net worth



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# Submitting the FAFSA

- Online FAFSA – make sure you “sign” with parent and student PIN numbers
- Paper FAFSA -- mail it to the federal processor, not to the school



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# Important FAFSA Dates

- Best time to apply is January 1 – February 28, 2010
- Schools may have their own deadlines.
- Federal deadline is June 30, 2011



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# What Happens Next?

- Receive a Student Aid Report (SAR) or acknowledgement from the federal processor 1-2 weeks from time you submit the FAFSA
  - 4-6 weeks if file paper
- SAR lists Expected Family Contribution (EFC)
- FAFSA information should reach the colleges you listed 1-2 Weeks after you receive the SAR



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# Determining Need

- Cost of attendance or budget (varies)
  - Tuition & fees
  - Room and board
  - Books & supplies
  - Miscellaneous personal expense
- Expected Family Contribution (EFC)  
(steady)
- Budget – EFC = Need



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# When Will I Get My Award Offer?

- Completed FAFSA by March 1, 2010, most schools begin notification in March.
- Review your notification
- Report to the Office of Financial Aid any awards you have received that are not listed, such as private scholarships



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# Federal Aid

- Grants
  - Pell Grant
  - SEOG (Supplemental Educational Opportunity Grant)
  - Academic Competitiveness Grant



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# Academic Competitiveness Grant

- Pell Grant recipient
  - Full-time student
  - Show need
  - First or second year student
  - Rigorous high school curriculum
- 
- Must provide final transcript to college or university



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# Federal Aid (continued)

- TEACH Grant
  - Up to \$4000 per year
  - For students who plan to teach full time in high-need subject areas at schools serving students from low-income families
  - Graduates must teach 4 full years within 8 years of finishing teacher prep program
  - If do not meet teaching obligation, grant will turn into unsubsidized loan



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# Federal Aid (continued)

- Work Study
- Loans
  - Perkins Loans
  - Stafford Loans
  - Parent (PLUS) Loans



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# Institutional Need-Based Aid

- Criteria vary by school
- Based on FAFSA data

# The Financial Aid Time Line

- Now! Search for scholarships
- As soon as possible after January 1--Complete FAFSA for the following Fall, Spring, and Summer
- Beginning in late March--Fall admits notified of aid packages
- April-July– Follow up with schools regarding loan paperwork and/or other documents required.
- July-August—Aid pays in July (some grants) and late August (federal grants and loans).
- August-- Submit final high school transcript if eligible for Academic Competitiveness Grant
- When you arrive on campus—look for part-time job



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# Working on Campus for Pay

- Allows student to earn money to help pay educational costs
- A paycheck or non-monetary compensation such as room and board
- Work vs. work study



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# Special Circumstances

- Loss of employment, excessive medical expenses
  - If different than the base year
- Divorce or separation, death of parent
  - If this happens after filing the FAFSA
- Contact the financial aid office where your student is attending.



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# How Else Can You Pay for College?

- Home Equity Loans
  - Interest is usually tax-deductible
- Private Alternative Loans
  - Many do not require the FAFSA to be filed and offer flexible repayment, comparable interest rates. May be able to borrow up to cost of attendance.



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# College Goal Sunday

- Saturday, February 13, or Sunday, February 14, 2010 at 1pm (depends on location)
- Get help completing the FAFSA from financial aid professionals
- 30 locations around Michigan
- More information on the web at

[www.MICollegeGoal.org](http://www.MICollegeGoal.org)



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# Questions & Answers about Financial Aid

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