

THE FAFSA PROCESS

PRESENTED BY

MICHIGAN STATE UNIVERSITY

OFFICE OF FINANCIAL AID



FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

Is available December 31, 2023 for 24/25 school year

Helps determine financial need for college

Confirms eligibility for certain requirements

Necessary step for consideration for need based Scholarships and Grants

No reason not to complete it

- The 2024-2025 aid year covers Fall 2024, Spring 2025 and Summer 2025
- MSU's school code is **002290**



REGISTERING YOUR FSA ID

- Required for anyone required to access the FAFSA form
 - If parent/guardian has FSA ID from previous FAFSA it will be the same
 - Create security/lock out questions
- If no SSN, you can still create an FSA ID
- Dependent Contributors: student, students' parent, and parent's spouse (if they did not file jointly with parent)
- Independent Contributors: student and student's spouse (if they did not file jointly with student)
- Contributors must provide the required information and sign their respective section for a FAFSA form to be considered complete



KEY FEATURES OF THE FAFSA

- Student, parent, and preparers need to complete and submit a new FAFSA every year
- Dependent students must invite their parent(s) via email to contribute to their form if parent information is required
- Independent students must invite their spouse to contribute to the student's form if spouse information is required
- Student and contributors must provide consent to retrieve and disclose federal tax information from the IRS for the student to be eligible for federal student aid



WHAT MAKES A STUDENT INDEPENDENT?

- **Must say yes to at least one of the following:**
- Were you born before Jan. 1, 2001?
- As of today, are you married (answer “No” if you are separated but not divorced)?
- At the beginning of the 24-25 school year, will you be working on a master’s or doctorate program?
- Are you currently serving on active duty in the U.S. armed forces for purposes other than training?
- Are you a veteran of the U.S. armed forces?
- Do you have children or other people (excluding your spouse) who live with you and receive more than half of their support from you?

[continued]



WHAT MAKES A STUDENT INDEPENDENT? [continued]

- At any time since you turned 13, were you an orphan (no living biological or adoptive parent)?
- At any time since you turned 13, were you a ward of the court?
- At any time since you turned 13, were you in foster care?
- Are you or were you a legally emancipated minor, as determined by a court in your state of residence?
- Are you or were you in a legal guardianship with someone other than your parent or stepparent as determined by a court in your state of residence?
- At any time on or after July 1, 2023, were you unaccompanied and either (1) homeless or (2) self-supporting and at risk of being homeless?
- **PLEASE NOTE: Tax filing status has NO impact on dependency.**



IS MY PARENT A CONTRIBUTOR?

Parent's Marital Status	Provide Information for:
Married	One or both of your parents, depending on tax filing status (jointly or separately)
Unmarried, but parents living together	Even if they are not currently married to each other, if your biological/adoptive parents reside together, you must provide both parents' information on the FAFSA
Widowed	Your surviving parent
Remarried (after being widowed or divorced)	Parent and Stepparent
Divorced or separated	The parent that provided more financial support over the past 12 months. If parents provided 50/50 financial support, you would report the parent who has the greater income or assets
Single	Your parent



WHAT HAPPENS AFTER I COMPLETE THE FAFSA?

- If you are not selected for verification, your file will be packaged with aid
- **What if you are selected for verification?**
 - Most common documents requested:
 - Verification worksheet
 - 2022 Tax Return & schedules
 - 2022 W-2(s)
 - How do I get my Tax information?
 - Tax Preparer
 - Tax Preparation Program
 - Request a transcript on the IRS Website
- After verification is complete, your file will be the be packaged with aid

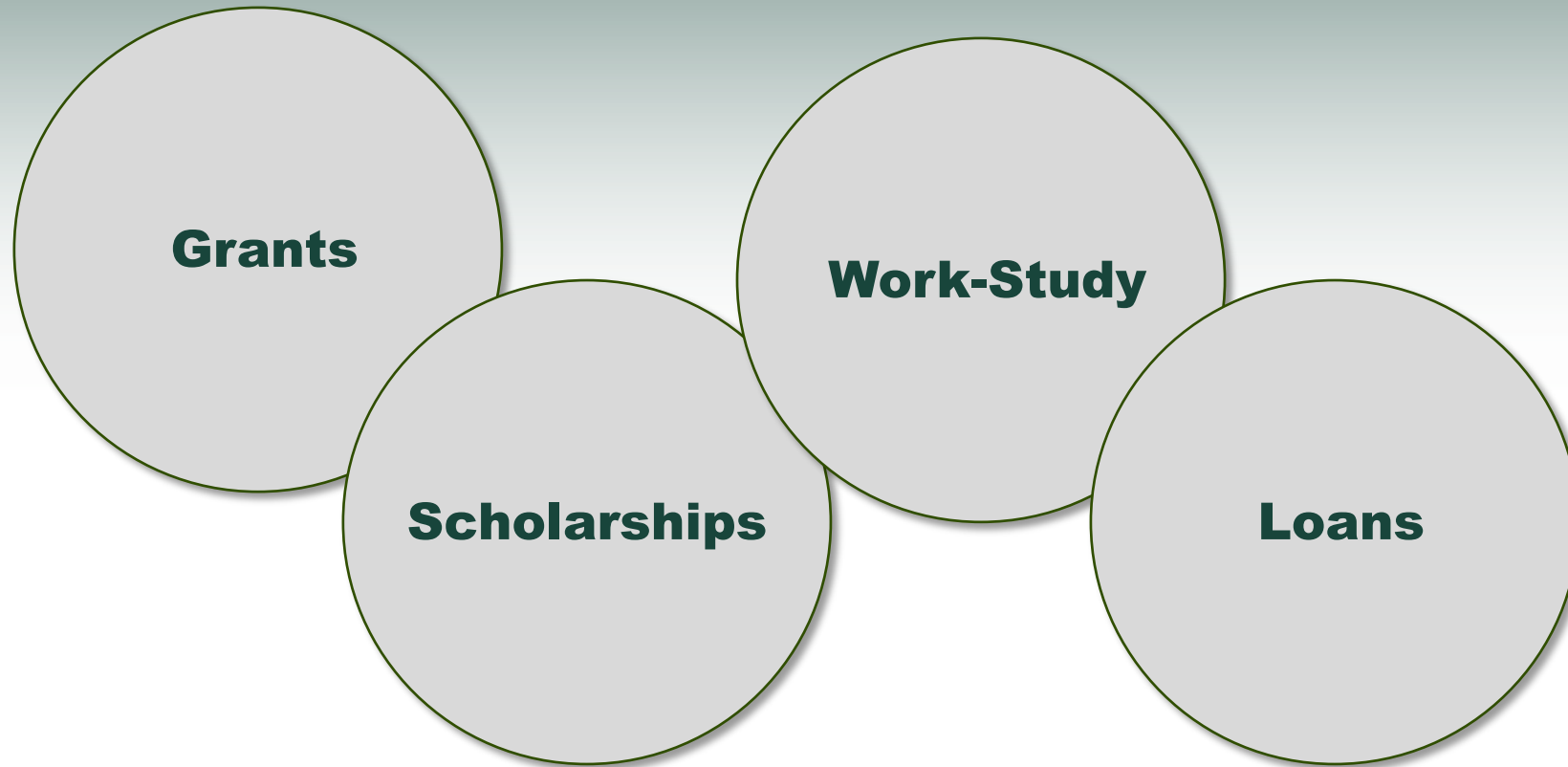


DEFINITIONS

Cost of Attendance (COA/ Budget)	Tuition (30 credits per year)	Direct Costs (Non-negotiable. Price set by and paid to the university)
	Fees	
	Food and Housing	
	Books	Indirect Costs (Needed but prices vary per student)
	Personal Expenses	



TYPES OF FINANCIAL AID



GIFT AID

- Automatically accepted
- Typically split equally between Fall and Spring semesters
- Does NOT need to be paid back



GIFT AID AT MSU

- Spartan Tuition Advantage – Need-Based
- Student Aid Grant – Need-Based
- College/Department – Varies
- Admissions – Merit



WHERE TO FIND MORE SCHOLARSHIPS

- **Start Local, Start Small**
- Community Foundations
- Town Halls
- Local Clubs/Lodges
- Places of Worship
- High School Counselor
- Alumni Associations
- Local Business/Libraries
- Your Parent's Place of Employment



STATE OF MICHIGAN AID

- Michigan Achievement Scholarship
- Tuition Incentive Program (TIP1, TIP2)
- New to Michigan
 - MI Achievement Grant
 - MI Educator Futures Stipend
 - MI Educator Fellowship



FEDERAL AID

- Pell Grant
- TEACH Grant
- Supplemental Educational Opportunity Grant
- Direct Loans
- Work-study



WORK-STUDY

Helps to organize time

Helps pay bills-pays directly to student, not to MSU account

Resume builder

Limit hours to between 10-15 per week

Higher GPA among those who work



LOANS

Federal Loans

- Types of federal loans
 - Subsidized
 - Unsubsidized
 - Parent PLUS (separate application, completed by parent)
- Accept subsidized/unsubsidized loans in student portal
- Loans split equally between fall and spring semester
- Do not need to be paid back until after graduation
 - Only Subsidized Loans defer accrual of interest until after graduation



COMPARING LOANS

Undergraduate Subsidized	Undergraduate Unsubsidized
Interest free until 6 months after graduation or if you drop below half time for 6 months	Interest starts right away
Based on need	Not based on need
Do not have to start paying on loans until after 6 months of graduation	
Requires a yearly FAFSA	
Same interest rates - 5.50% (July 1, 2023-July 1, 2024)	

Parent PLUS

Parent applies

Interest 8.05%

Credit based



PRIVATE LOAN OPTIONS

Visit your local bank/credit union

Usually has the lowest interest rates compared to other private loan lenders

Next - investigate private lenders (ELMSelect.com)

Differences between federal and private loan options

- Interest rates usually higher with private loans
- Subject to credit approval
- Interest rates vary from lender to lender
- Repayment terms not as flexible as federal loans
- FAFSA is not required



OTHER OPTIONS

Personal Resources	Outside Scholarships
Savings 529 Plan Student Employment	finaid.msu.edu/searches.asp fastweb.com MSU Alumni Network Community foundations Corporate sponsors Local businesses Department of study



PROFESSIONAL JUDGMENT

If your financial situation has changed since you completed the FAFSA, you may be eligible for a re-evaluation of your aid package. Examples include:

- Change in household income
- One-time financial gain (inheritance, 401k withdrawal, lottery)
- Death of a parent or spouse
- Significant medical & dental expenses
- Other unusual circumstances

Typically, tax information and other documentation is required to be submitted for review





CONTACT INFORMATION



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