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
How Can You Pay for College?

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

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

• Merit-based
• Don’t have to pay back
Scholarships—Where to Look

• Colleges or universities
• Guidance office
• Parent employers or organizations
• Businesses
• Anywhere!
Private Scholarship Searches

• College Answer – www.collegeanswer.com

• Fastweb – www.fastweb.com
How to Get Need-Based Aid

• Fill out a FAFSA!
• FAFSA stands for: Free Application for Federal Student Aid
• You will need a PIN to sign your application form www.pin.ed.gov
• File on-line at www.fafsa.ed.gov
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
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
Sections of the FAFSA

• Student Personal Information
• Student Income and Asset Data
• Parent Personal Information
• Parent Income and Asset Data
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!
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
Parent Personal Information

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

• Grants
  – Pell Grant
  – SEOG (Supplemental Educational Opportunity Grant)
  – Academic Competitiveness Grant
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
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
Federal Aid (continued)

• Work Study

• Loans
  – Perkins Loans
  – Stafford Loans
  – Parent (PLUS) Loans
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
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
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.
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.
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
Questions & Answers about Financial Aid