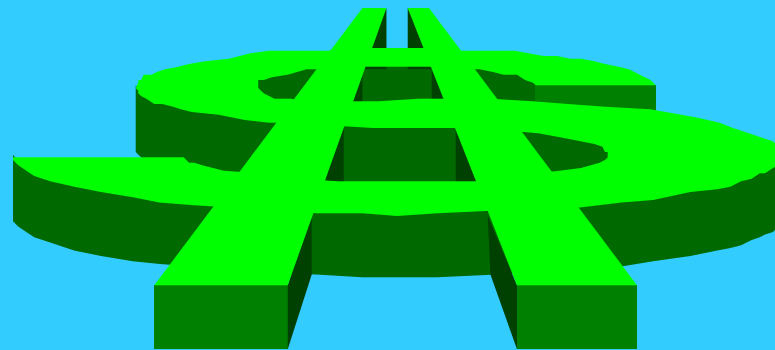


Financial Aid 101

Judy Florian

Director of Financial Aid
Macomb Community College



Before we begin....



**Thank you for turning off your cell
phone/pager**



COLLEGE COSTS

IS THIS WHY THEY CALL IT "HIGHER" EDUCATION, DAD?

HIGHER AND HIGHER.

Mike Keefe THE DENVER POST 2004

Develop a Plan to Finance Your Education

- Determine college costs
- Investigate all possible resources
 - Parent(s)
 - Savings/summer earnings
 - Financial aid
 - Employer Assistance



Types of Aid

- Grants/Scholarships
- Loans
- Work



Sources of Aid

- Federal
- State
- Institutional
- Private



Philosophy of Financial Aid

- Parents and students have primary responsibility to contribute to educational costs
- Family accepted in present financial condition
- All families evaluated equitably and consistently



Free Application for Federal Student Aid (FAFSA)

The screenshot shows the FAFSA website interface. At the top, it says 'FREE APPLICATION FOR FEDERAL STUDENT AID July 1, 2010 - June 30, 2011'. Below this, there are several sections: 'Applying by the Deadlines', 'Using Your Tax Returns', 'Filling Out the FAFSA', and 'Mailing Your FAFSA'. A central section titled 'Federal Student Aid FAFSA' outlines a three-step process:

- 1 Before Beginning a FAFSA**: Get organized! To simplify filling out the FAFSA, gather the required documents and other information. Includes links for 'FAFSA on the Web Worksheet', 'Find my school code', 'Students & Parents apply for a PIN', 'Check FAFSA Deadline Dates', and 'Sign Electronically with your PIN'.
- 2 Filling Out a FAFSA**: Fill out the FAFSA! It has seven steps that ask about you, your school plans, financial information and more. Includes links for 'Fill out a FAFSA', 'Fill out a Renewal FAFSA', 'Llenar la FAFSA en español', 'Renovación en español', 'Continue working on saved FAFSA', and 'Sign Electronically with your PIN'.
- 3 FAFSA Follow-up**: Find your FAFSA online! You can go back to your FAFSA to check status, make corrections to a processed FAFSA and get other information. Includes links for 'Check Status of a submitted FAFSA or print Signature Page', 'Make Corrections to a processed FAFSA Aid or Delete a School Code View and print your Student Aid Report', and 'Scheduled Maintenance: FAFSA on the Web will be unavailable on every Sunday from 5 a.m. to 11 a.m. (Eastern Time). We apologize for any inconvenience this may cause. More.'.

At the bottom of the page, there are links for 'FOIA | Privacy | Security | Notices' and 'WhiteHouse.gov | USA.gov | ED.gov'.

- Cannot submit earlier than January 1, 2010
- Common **free** form to apply for most types of aid
- Used to calculate the expected family contribution
- Allows release to designated schools

How to Apply

The screenshot shows the FAFSA website interface. At the top, it says 'FAFSA FREE APPLICATION FOR FEDERAL STUDENT AID July 1, 2010 - June 30, 2011'. Below this, there are sections for 'Using Your Tax Returns', 'Filling Out the FAFSA', and 'Mailing Your FAFSA'. A central banner reads 'START HERE GO FURTHER FEDERAL STUDENT AID Free Application for Federal Student Aid'. To the right, there are three numbered steps: 1. Before Beginning a FAFSA, 2. Filling Out a FAFSA, and 3. FAFSA Follow-up. Each step includes a brief description and links to further resources. At the bottom, there are 'FAFSA ALERTS' and 'Scheduled Maintenance' notices.

➔ Paper form-US mail

➔ FAFSA on the Web Worksheet-online

FAFSA on the Web Worksheet www.fafsa.ed.gov



DO NOT MAIL THIS WORKSHEET.

You must complete and submit a *Free Application for Federal Student Aid (FAFSA)* to apply for federal student aid and to apply for most state and college aid. Applying online with *FAFSA on the Web* at www.fafsa.ed.gov is faster and easier than using a paper FAFSA.

For state or college aid, the deadline may be as early as January 2008. See the table to the right for state deadlines. Check with your high school counselor or your college's financial aid administrator about other deadlines.

• Complete this Worksheet only if you plan to use *FAFSA on the Web* to apply for federal student aid.

• Sections in purple are for parent information.

• In parentheses after each question is the number that is used on *FAFSA on the Web* and the paper FAFSA.

• Submit your FAFSA early but not before January 1, 2008.

Apply Faster—Sign y



If you do not have a PIN receive your PIN and if FAFSA. If you are pro your FAFSA. To sign

FAFSA Home Student Aid on the Web Application Deadlines PIN Site Help Contact Us FAQs Site Map About Us

You will need the fol

□ Your Social Security Numbers if you are

□ Your driver's license

□ Your Alien Registrat

□ 2007 federal tax inf (information) for you

□ 2007 federal tax inf (information) for your parents if you

□ 2007 FAFSA but you mus

□ Records of untaxed i benefits (e.g., TANF

□ Information on savir for yourself, and you

Before Beginning a FAFSA

1 Filling Out a FAFSA

2 FAFSA Follow-Up

Special Announcements

Alert! Important changes that may affect your eligibility for student aid.

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STATE AID DEADLINES

Check with your financial aid administrator for these states and territories: AL, *AS, CO, *FM, GA, *GU, *HI, *IL, *MD, NE, *NM, *NV, OR, PR, *PW, *SD, *TX, UT, *VA, *VI, *VT, WA, WI, and *WY.

AK	April 15, 2008 (date received)
AR	Academic Challenge - June 1, 2008 Workforce Grant - Contact your financial aid administrator. Higher Education Opportunity Grant - June 1, 2008 (fall term) - November 1, 2008 (spring term) (date received)
AZ	June 30, 2009 (date received)
CA	Initial awards - March 2, 2008 Additional community college awards - September 2, 2008 (date postmarked) February 15, 2008 (date received)
CT	June 30, 2008 (date received by state)
DC	April 15, 2008 (date received)
DE	May 15, 2008 (date processed)
FL	July 1, 2008 (date received)
IA	March 1, 2008 (date received)
IL	March 1, 2008 (date received)

FAFSA Free Application for Federal Student Aid

Federal Student Aid FAFSA

We have simplified the process of filling out the FAFSA. You can follow each section all of the way through for a comprehensive set of instructions.

1 Before Beginning a FAFSA

Get organized! To simplify filling out the FAFSA, gather the required documents and other information.

[FAFSA on the Web Worksheet](#)
[Find my school codes](#)
[Students & Parents apply for a PIN](#)
[Check FAFSA Deadline Dates](#)

FAFSA ALERTS:

FAFSA Deadlines:
Submit 2006-2007 FAFSA on the Web Applications by **midnight Central Daylight time**, July 2, 2007.

Submit 2007-2008 FAFSA on the Web Applications by **midnight Central Daylight time**, June 30, 2008.
[More](#)

State deadlines are normally much earlier than Federal deadlines. To find your state's deadline, select [state deadlines](#).

Site Last Updated: Wednesday, September 27, 2006

2 Filling Out a FAFSA

Fill out the FAFSA! It has seven steps that ask about you, your school plans, financial information and more.

[Fill out a FAFSA](#)
[Llenar la FAFSA en español](#)
[Fill out a Renewal FAFSA](#)
[Llenar la FAFSA de Renovación en español](#)
[Continue working on saved FAFSA](#)
[Sign Electronically with your PIN](#)

3 FAFSA Follow-up

Find your FAFSA online! You can go back to your FAFSA to check status, make corrections to a processed FAFSA and get other information.

[Check Status of a submitted FAFSA or print Signature Page](#)
[Make Corrections to a processed FAFSA](#)
[Add or Delete a School Code](#)
[View and print your Student Aid Report](#)

Scheduled Maintenance:

FAFSA on the Web will be unavailable on every Sunday from 5 a.m. to 11 a.m. (Eastern Standard Time). We apologize for any inconvenience this may cause.
[More](#)

- More than 95% of filers use this option
- Most accurate way to file
- Complete worksheet prior to using Web application
- On-line only, not by mail
- 10-14 day turnaround

Reasons to File Electronically

- Built-in edits to prevent costly errors
- Skip-logic allows student and/or parent to skip unnecessary questions; simplified entry
- More timely submission of original application and corrections
- More detailed instructions and “help” for common questions
- Ability to check application status on-line



Student Financial Aid (SFA) PIN



The screenshot shows the homepage of the Federal Student Aid PIN website. At the top left is the U.S. Department of Education logo with the slogan "START HERE GO FURTHER FEDERAL STUDENT AID". To the right is the text "Federal Student Aid PIN". Below this is a navigation bar with links for "PIN Home", "Help", "Contact Us", "FAQs", and "About Us". A left sidebar contains a menu of actions: "Apply For a PIN", "Check PIN Status", "Request A Duplicate PIN", "Change My PIN", "Update My Personal Information", "Disable My PIN", "Reestablish My PIN", and "Activate My PIN". Below the menu are "Helpful Links" for "Student Aid on the Web" and "Links to Federal Student Aid Electronic Services". The main content area features a "Welcome to the Federal Student Aid PIN Web site" message with a graphic of blue dots forming an arrow. Below the welcome message is a paragraph explaining the website's purpose and a warning about the PIN's security. To the right of this text is a blue box titled "Apply For a PIN" with a sub-header "The PIN Application is for students and parents to apply for a new Federal Student Aid PIN." and a prominent "APPLY NOW" button.

- Sign FAFSA electronically
- Can request PIN before January 1, 2010
- Name, SSN, DOB match with Social Security Administration
- Real time PIN to be issued and confirmed after use
- May be used by students and parents throughout aid process, including subsequent school years

www.pin.ed.gov

Without PIN-Signing Options

- Print signature page and submit within 14 days
- If signature page not received by Central Processing System within 14 days, student receives rejected Student Aid Report (SAR)
- Rejected SAR must be signed and submitted



FAFSA Processing Results

- * Central Processing System notifies student of processing results by:
 - ☞ E-mail notification containing a direct link to student's online Student Aid Report (SAR) if student's e-mail was provided on paper or electronic FAFSA
 - ☞ Student with PIN may view application online at www.fafsa.ed.gov

What Data Are Required?

- Section 1: Student information
- Section 2: Student dependency status
- Section 3: Parent financial information
- Section 4: Student financial information

Add federal school codes for colleges/universities to receive FAFSA results

What Data are Required?

DO NOT MAIL THIS WORKSHEET.

You must complete and submit a *Free Application for Federal Student Aid* (FAFSA) to apply for federal student aid and to apply for most state and college aid. Applying online with *FAFSA on the Web* at www.fafsa.ed.gov is faster and easier than using a paper FAFSA.

For state or college aid, the deadline may be as early as January 2008. See the table to the right for state deadlines. Check with your high school counselor or your college's financial aid administrator about other deadlines.

• **Complete this Worksheet only if you plan to use FAFSA on the Web to apply for federal student aid.**

• Sections in purple are for parent information.

• In parentheses after each question is the number that is used on FAFSA on the Web and the paper FAFSA.

• **Submit your FAFSA early, but not before January 1, 2008.**

Apply Faster—Sign your FAFSA with a Federal Student Aid PIN.

If you do not have a PIN, you can apply for one at www.pin.ed.gov. You will receive your PIN and then you can electronically sign when you submit your FAFSA. If you are providing parent information, one parent must also sign your FAFSA. To sign electronically, your parent should also apply for a PIN.

You will need the following information to complete this Worksheet:

- Your Social Security Number and your parents' Social Security Numbers if you are providing parent information;
- Your driver's license number if you have one;
- Your Alien Registration Number if you are not a U.S. citizen;
- 2007 federal tax information or tax returns (including IRS W-2 information) for yourself (and spouse if you are married) and for your parents if you are providing parent information. If you have not yet filed a 2007 income tax return, you can still submit your FAFSA but you must provide income and tax information.
- Records of untaxed income, such as Social Security benefits, welfare benefits (e.g., TANF), and veterans benefits, for yourself, and your parents if you are providing parent information; and
- Information on savings, investments, and business and farm assets for yourself, and your parents if you are providing parent information.

WARNING!

Be wary of organizations that charge a fee to submit your application or to find you money for college. In general, the help you pay for can be obtained for free from your college or from Federal Student Aid.

NOTE:

If you or your family have unusual circumstances (such as loss of employment), complete FAFSA on the Web to the extent you can, then submit the application and consult the financial aid office at the college you plan to attend.

STATE AID DEADLINES	
Check with your financial aid administrator for these states and territories: AL, *AS, CO, *FM, GA, *GU, *HI, *MH, *MP, NE, *NI, *NV, OR, PR, *PW, *SD, *TX, *VA, *VT, *WV, *WY, and *WY.	
AK	April 15, 2008 (date received)
AR	Academic Challenge - June 1, 2008 Workforce Grant - Contact your financial aid administrator Higher Education Opportunity Grant - June 1, 2008 (fall term) - November 1, 2008 (spring term) (date received)
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* CA	Initial awards - March 2, 2008 Additional community college awards - September 2, 2008 (date postmarked)
** CT	February 15, 2008 (date received)
* DC	June 30, 2008 (date received by state)
DE	April 15, 2008 (date received)
FL	May 15, 2008 (date processed)
IA	July 1, 2008 (date received)
** ID	March 1, 2008 (date received)
# IL	First-time applicants - September 30, 2008 Continuing applicants - August 15, 2008 (date received)
IN	March 10, 2008 (date received)
# *KS	April 1, 2008 (date received)
# KY	March 15, 2008 (date received)
LA	July 1, 2008 (date received)
# MA	May 1, 2008 (date received)
MD	March 1, 2008 (date received)
ME	May 1, 2008 (date received)
MI	March 1, 2008 (date received)
MN	30 days after term starts (date received)
MO	April 1, 2008 (date received)
# MS	MTAG and MESG Grants - September 15, 2008 HELP Scholarship - March 31, 2008
# MT	March 1, 2008 (date received)
NC	March 15, 2008 (date received)
ND	March 15, 2008 (date received)
NH	May 1, 2008 (date received)
NJ	June 1, 2008. If you received a Tuition Aid Grant in 2007-2008 All other applicants - October 1, 2008, fall and spring terms - March 1, 2009, spring term only (date received)
* NY	May 1, 2008 (date received)
OH	October 1, 2008 (date received)
# OK	April 15, 2008 (date received) for best consideration
* PA	All 2007-2008 State Grant recipients & all non-2007-2008 State Grant recipients in degree programs - May 1, 2008 All other applicants - August 1, 2008 (date received)
# RI	March 1, 2008 (date received)
SC	Tuition Grants - June 30, 2008 (date received)
# TN	State Grant - March 1, 2008 State Lottery - September 1, 2008 (date received)
* WV	March 1, 2008 (date received)
#	For priority consideration, submit application by date specified
*	Additional form may be required.

- ➔ 2009 taxable income
- ➔ 2009 untaxed income
- ➔ Value of family's assets
- ➔ Family size
- ➔ Number in college

Important Reminder

- ☛ If you use estimated 2009 income figures, you must
 - ☛ Update FAFSA with final tax figures when Federal return completed
 - ☛ Updates can be completed on Corrections on the Web (www.fafsa.ed.gov)



How is the Data Used?



- In a statutory formula called the Federal Methodology
- Looks at income, assets and size of family to determine family's ability to contribute to the student's educational expenses
- Result is called the Expected Family Contribution

Items to Include in Assets

- Cash, savings and checking accounts
- Investments (stocks, bonds, property, real estate)
- Money markets/certificates of deposit
- Trust funds and Uniform Gifts to Minors Act (UGMA) accounts
- 529 prepaid tuition and savings plans (total refund value)
- Business/farm assets (unless family owned and less than 100 employees)



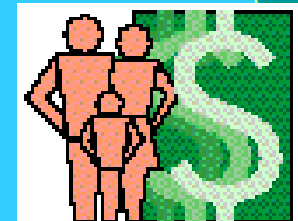
Items **Not** to Include in Assets

- Home
- Vehicles
- Life insurance policies
- Accumulated retirement plans
(pension funds, annuities, IRA's,
Keogh plans, etc.)



Who is Considered the Parent? (for dependent students)

- If parents are both living and married to each other, answer the questions about both of them.
- If the parent is widowed or single, answer the questions about that parent only. If the widowed parent has remarried **as of today**, answer the questions about that parent and the person to whom the parent is currently married.
- If the parents have divorced or separated, answer the questions about the parent the student lived with most in the last 12 months. If the student did not live with one parent more than the other, answer about the parent who provided the most financial support during the last 12 months or during the most recent year the student was supported by the parent. If this parent has **remarried as of today**, answer the questions about both that parent and the person to whom the parent is currently married.



Special Circumstances

- * Change in employment status after filing FAFSA
- * Medical expenses not covered by insurance
- * Change in parent's marital status after filing FAFSA
- * Unusual dependent care expenses

Special Circumstances

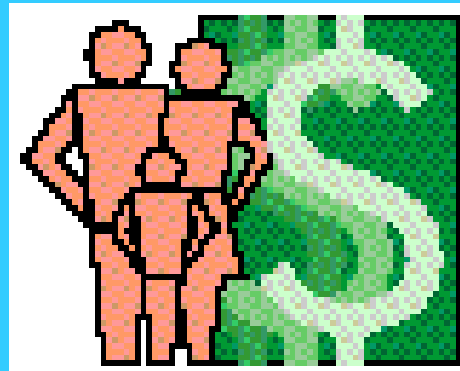
- * Cannot report on FAFSA
- * Send explanation to financial aid office at each college
- * College will review special circumstances
- * College may request additional documentation

Financial Need

Cost of attendance

– Expected Family Contribution

= Financial need



Cost of Attendance

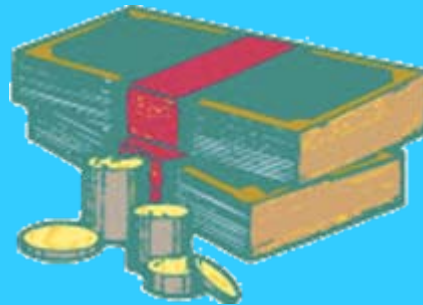
- Tuition and fees
- Room and board
- Books and supplies
- Transportation
- Miscellaneous



Need Varies with College Costs

College A

Cost	\$40,000
Contribution	-6,000
<hr/>	
Need	\$34,000



Need Varies with College Costs

College B

Cost \$18,000

Contribution -6,000

Need \$12,000



Financial Aid Award or “package”

- A combination of all types of aid
- Varies from school to school
- Depends on money available
- Response deadline



Role of the Financial Aid Office

- Determines eligibility for financial aid
- Packages (awards) aid
- Sends notification to eligible students
 - How and when aid will be disbursed
 - Terms and conditions of student's award
 - Programs and amounts for which student is eligible



Application Deadlines

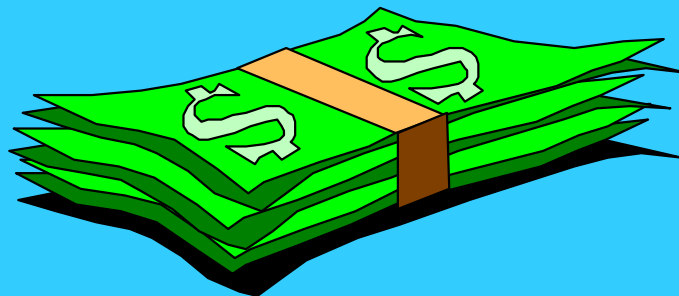
- State of Michigan
 - March 1, 2010
 - Scholarship deadlines
 - Set by donor



Stafford Loan Program

- Provides major assistance to students
- Cosigner and good credit not required
- Federal Direct Loan Program
 - Government is the lender
- Federal Family Education Loan Program
 - Private bank/credit union is lender*

*Proposal to eliminate banks as lenders in 2010-11



Federal Stafford Loan

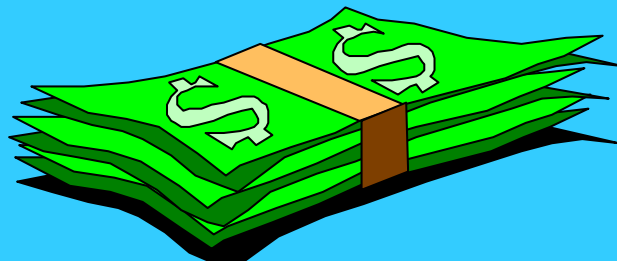
- Fixed interest rate
- Government or private bank* is lender
- Subsidized and unsubsidized

*Proposal to eliminate banks as lenders in 2010-11



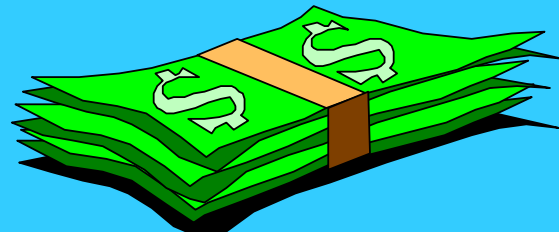
Subsidized Federal Stafford Loan

- Based on financial need
- Fixed interest rate 5.6%
- Principal & interest deferred
- 6 month grace period
- Repayment period: 10 years
- Minimum repayment \$50/month



Unsubsidized Federal Stafford Loan

- Not based on financial need
- Fixed interest rate 6.8%
- Principal deferred
- Interest payable while student in college
- 6 month grace period
- Repayment period: 10 years
- Minimum repayment \$50/month



Federal Stafford Annual Loan Limits

- \$5,500 for first year students
(includes \$2,000 unsubsidized)
- \$6,500 for second year students
(includes \$2,000 unsubsidized)
- \$7,500 beyond second year
(includes \$2,000 unsubsidized)
- \$20,500 graduate students



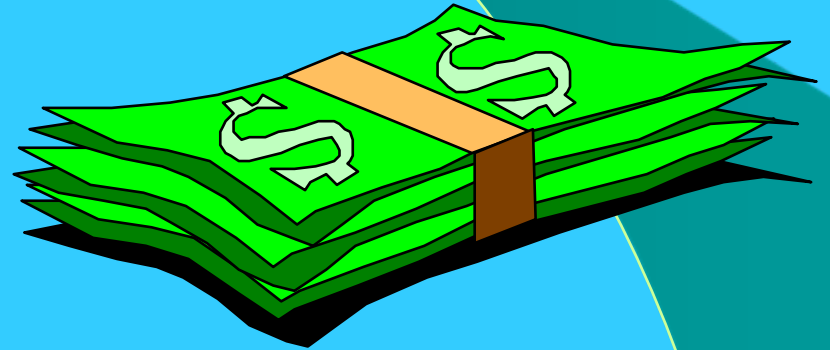
Aggregate Loan Limits

- * Undergraduate dependent students:

\$31,000

- * Undergraduate independent students:

\$57,500



Federal PLUS Loan



- Parent borrows money on behalf of undergraduate dependent student
- Annual loan limit is cost of attendance minus other aid
- Parent must have acceptable credit history, as determined by lender
- Fixed interest rate of 7.9%
- Repayment 60 days after fully disbursed or 6 months after student ceases half-time enrollment

Looking for Financial Aid? Don't Get Hooked by Misleading Offers

- College aid offers are everywhere
 - ☛ Internet
 - ☛ Mail
 - ☛ Newspapers
 - ☛ Magazines
 - ☛ Telephone





Warning Signs of Scam

- High application fees
- Guaranteed winnings
- Everybody is eligible
- Masquerading as federal agency
- Claims of government approval
- Time pressure
- Unusual requests for personal information



Financial Aid Resources

- Smart Guide to Financial Aid:
www.finaid.org
- Scholarship matching service:
www.fastweb.com
- College resource information:
www.going2college.com
- Student Aid on the Web:
www.studentaid.ed.gov

Review and Finalize Your Plans



- Show initiative and be assertive
- Talk to financial aid staff and counselors
- Select a college that meets your academic needs
- Follow up with colleges to which you have applied
- Don't be afraid to ask questions

Questions?



Judy Florian

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florianj@macomb.edu