
Understanding Your Financial Aid Award Letter

— <https://bit.ly/FinAwardLtr> —

Workshop Goals

- Help you read your financial aid award letters
- Assist you in understanding the aid being offered.
- Help you determine which aid to accept and which aid to potentially decline.

Key Terms

Financial Aid Award Letter: A letter received, via mail or email, from the college(s) to which the student applied, typically in early to mid-April. This letter will spell out the details of the financial aid package.

Financial Aid Package: A collection of different types of aid from multiple sources (federal, state, and institutional). It is intended to help you fill the gap between your ability to pay (your expected family contribution or EFC) and college costs (the cost of attendance or COA). It is based on your financial need, the difference between COA and EFC.

Financial Aid Refresher

Grants	A form of financial aid that does not have to be repaid.
Scholarships	A form of financial assistance that does not have to be repaid. Scholarships may be awarded based on any number of criteria, such as academics, achievements, hobbies, talents, and affiliations with various groups, or career aspirations.
Work Study	A campus-based program, awarded by the college, in which eligible students work part time to help fund their education
Loans	An advance of funds guaranteed by a signed promissory note in which the recipient of the funds promises to repay a specified amount under prescribed conditions. A financial source that is available to students and their parents through student loan programs with varying interest rates and repayment provisions to supplement the family's financial resources, scholarships, and grants.

Financial Aid Sources

Government	Federal and state (i.e., Pell Grant, Cal Grant)
Institutional	Scholarships, grants, and even loans that individual schools offer to students.
Organizational and Group Membership	Aid offered to students based on affiliation to a particular group (i.e., church group, employer, etc.)
Private	Independent scholarships and financial support from companies, organizations, nonprofits, and community groups (i.e., Coca-Cola scholarship, alumni scholarships, Scholarship Foundation loans, etc.)

Why is it important to compare financial aid packages?

KNOWLEDGE	It is important to know what kinds of aid you are receiving, how much you are borrowing, and what the long-term consequences are.
FINANCIAL PLANNING	Understanding the financial repercussions is important. Consider how much debt you are willing to have, what your income may be when you graduate, and how your debt will affect your future plans and other life goals.
BARGAINING TOOL	Don't be afraid to ask one school for more money. Once you compare aid, contact your school(s) to see if there is any flexibility in the kinds of aid offered or if they have more money.
SURPRISES!	Until you consider all of the numbers, you just do not know which school will be the most affordable. You may just be surprised.
MAKING A DECISION	It's important to have all the information when making such a big decision. Make an educated decision by knowing your rights, investigating your options, and taking into consideration all necessary facts and consequences.



Remember: You can ask for more money or appeal a financial aid award letter, but be able to support your request with solid reasons! If you are uncertain whether your situation may be considered a special circumstance -- ASK!

A financial aid award letter should answer these 5 questions:

1. What is the total cost (sticker price, including books, travel, and other likely expenses) for one year at this school?
2. How much free money (grants and scholarships) did the student get?
3. How much will the student have to pay (i.e., borrow, work for, or pay out-of-pocket) for the first year?
4. What are the options for raising or paying the money the student owes?
5. What is the student supposed to do next? (Whom should they call with questions or an appeal for more aid? What forms have to be submitted and by what deadline?)

Important things to look for, consider, and ask!

- **COSTS**

- Does the award letter state the school's cost of attendance (COA)?
- If so, does it include ALL projected costs (i.e., tuition, fees, room, board, books, transportation, and personal expenses)?

- **REQUIREMENTS**

- Are all scholarships renewable?
- Do you have to maintain a certain GPA?
- Can you switch majors and keep the scholarship?

- **FAMILY**

- What is your expected family contribution (EFC)?
- Is there any unmet need? (Unmet need is the difference between the cost of the school and the amount of financial aid awarded. This is beyond EFC and any loans the student must borrow.)

Important things to look for, consider, and ask!

- **LOANS**

- What kinds of loans did the school offer?
- How much are you willing to borrow?
- What are the interest rates and other terms?

- **ADJUSTMENTS**

- Does the school have a policy for changing aid (known as aid displacement) if a student receives a non-institutional scholarship?

Financial Aid Award Letter Tools

[Financial Aid Ltr Example](#) - Generic example of what a letter might look like

<https://tinyurl.com/awardltr> - Copy this google sheet to compare your financial aid award letters

[Class of 2020 Example](#) - This compares aid from a UCSD vs. CSULB

By the Numbers

- **Calculate Total Cost of Attendance (COA)**
 - **Add up the total cost of Billed Costs (what you pay directly to the school)**
 - Ex: Tuition & Fees, Housing & Meals
 - **Add up Other Costs (things not paid directly to the school)**
 - Ex: Books & Supplies, Transportation, Personal Expenses
- **Calculate Total Aid Award**
 - **Add up all Gift Aid (Grants & Scholarships)**
 - **Add up all Work Study**
 - **Add up all Loan offers**

Number Crunching

- **Net Cost to the Family**
 - **Total Cost of Attendance (COA) - Total Aid Award (Gift Aid + Work Study + Loans)**
- **Are my Billed Costs Covered? (only the costs you pay the school directly)**
 - **Total Billed Costs - Total Aid Award**
- **Do I need to take out that much in loans?**
 - **Total Billed Costs - Gift Aid**

Recommendations for additional comparison tools...

Award Letter Comparison Tool

<http://www.finaid.org/calculators/awardletter.phtml>

Advanced Award Letter Comparison Tool

<http://www.finaid.org/calculators/awardletteradvanced.phtml>

Compare Aid Awards Calculator

<http://apps.collegeboard.com/fincalc/ep/step6-1.jsp>

Financial Aid Award Letter.com

<http://www.financialaidletter.com>

Student Loan Repayment Calculator

<http://www.mappingyourfuture.org/paying/standardcalculator.htm>

Google Sheet to compare Aid

<https://tinyurl.com/awardltr>

Need more help?

**Live Sessions on Google Meets w/
Q & A Sessions:**

- **Tuesday, April 14 during your regularly scheduled AVID 4 time**
- **Keep a lookout for your invitation**

**Make an appointment with us for
1 on 1 help:**

Mrs. Moya -

<https://soarcounseling.youcanbook.me>

Mrs. Chainey -

<https://tchainey.youcanbook.me/>

Thank you!