



Financial Aid & Scholarship Information

Most financial aid programs will note that the parents and the students are primarily responsible for meeting the expenses of a college education. College costs include such items as tuition fees, room and board, books and supplies, clothing, laundry, recreation, travel and incidentals. When the costs involved exceed the amount the family can reasonably contribute, a “financial need” is deemed to exist. The amount of financial aid that can be awarded is determined by evaluating the difference between the total cost of the institution and the family contribution.

As soon as possible, the Prep College Counseling Department recommends you visit the EFC (Estimated Family Contribution) calculator at www.collegeboard.com. It is also a good idea to use the financial aid calculators for the specific schools to which your student plans to apply to get a more accurate picture of your family estimated college costs.

Students seeking college-based financial aid are advised to start working with the college’s financial aid office as soon as possible during the college application process. Meeting all financial aid deadlines is critical. **We suggest creating a spreadsheet with application and financial aid deadlines for each college to which you apply, as some institutions may have their own institution-specific financial aid forms to complete.**

A few definitions:

Grants: gifts usually awarded on the basis of need alone and can come from a variety of sources.

Scholarships: awards given to honor or reward a student who has exceptional talent or abilities in academics, music, athletics, art, debate, leadership and test scores. *If scholarships are awarded regardless of one’s ability to pay, they are called “merit scholarships.” Scholarships that consider financial status are called “need-based scholarships.”* Visit www.fastweb.com

You can search online to find free financial aid resources. Collegeboard.com has excellent sections devoted to college costs and financial aid in addition to the sites listed below:

Financial Aid General Information: www.finaid.org

This is an excellent all-inclusive site for aid, ranging from EFC estimates to links to sources for scholarships.

Student Aid Guide: www.ed.gov/finaid

This site is the official Department of Education guide to financial aid.

California State Aid Commission: www.csac.ca.gov

Scholarship information can also be found in Naviance

How to Apply for Financial Aid

In order to apply for financial aid at any school, you must file a **FAFSA** (Free Application for Federal Student Aid). You can find the FAFSA form at www.fafsa.gov. Beginning in 2017, students are now required to report income and tax information from two years prior. For example, for the 2020-2021 FAFSA, students and parents will report their 2018 income and tax information. If you are applying to private colleges, you may be asked to fill out an institutional form or the **CSS Profile** in addition to the FAFSA. Colleges will let you know which forms they require. You can find the CSS Profile at www.collegeboard.com.

Once a student's financial need has been determined, the college may offer a financial package. The college may offer a combination of scholarships or grants, loans and campus employment. Colleges are not always able to meet the total financial needs of students. If you receive a financial aid package that is truly insufficient for your family, discuss the possibility of more aid with the financial aid officer at the college of your choice. *Do not be shy to appeal the initial award letter.*

- Be sure to keep a file of all your financial aid applications and correspondence.
- Keep a copy of everything you send.
- Request a certificate of mailing from the post office.
- Be sure to get the name of any financial officer with whom you speak and keep a record of when you spoke and what you said.
- Above all, meet all financial aid deadlines!

A few definitions:

Cal Grant: If you are applying to college in California, you want to be considered for a Cal Grant which is an award based on your student's 10th and 11th GPA and your family's income. Prep's registrar will provide the state with your Cal Grant GPA and the FAFSA will have your family's income.

Loans: Loans obtained for education must be repaid after you the student has graduated or left school and normally have lower interest rates than commercial loans.

Perkins Loans: are based on need and eligible students may receive up to \$4,000 per year (or up to \$20,000 for the total amount borrowed as an undergraduate) and defer interest and payments until after graduation with a 10-year repayment period.

Stafford Loans: are also need-based whereby students may borrow up to \$3,500 as freshmen, \$4,500 as sophomores and up to \$5,500 per year as upperclassmen. Loan repayment begins after graduation, also with a 10-year repayment period. A loan that matches the Stafford Loan in annual maximums but is unsubsidized by the federal government is available to all financial aid applicants. However, the interest rate is higher than the federally subsidized Stafford Loans.

Plus Loans: are available to parents with good credit history who want to borrow unsecured money for educational purposes. The amount can be as high as the yearly cost of the institution less the financial aid awarded.

College Work Study: earning money as payment for a job that is usually arranged by you through the college. Students normally work on campus between 10-15 hours per week at minimum way, although some positions pay more.



FAQs About Financial Aid

Is financial aid available only to people with very low income?

No. You don't have to be low income to receive financial aid, but you need to prove you need aid. You are eligible for financial aid equal to the difference between college costs and the amount your family can afford as computed by federal methodology.

Will I receive special financial consideration if I have other family members also in college?

Maybe. Parents can't be expected to contribute as much if they are already assisting another family member in college. Such factors are most often considered by private intuitions.

Is a stepparent expected to complete the FAFSA?

Yes. Federal programs and most colleges expect a stepparent's information to be included on the FAFSA if the stepparent lives in the same house as the student and the custodial parent.

Do I need a different form because my parents own their own business?

If colleges want specific information, they will provide the forms, or you may be asked to file a CSS Profile (for private colleges only).

What is a Student Aid Report (SAR)?

After you have filed your FAFSA, you will receive a Student Aid Report. The report will have the information you gave on the FAFSA plus a dollar amount for your Expected Family Contribution. Colleges use this number to determine the amount and kind of financial aid package they will offer you. Make sure you review the SAR and follow the instructions carefully. It's possible that you may be requested to provide additional information before your Expected Family Contribution can be calculated.