

# Understanding the Financial Aid Process



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# How you may feel about this now...



# Overview

- Important Things to Know
- Planning Tools
- Applying for Federal Aid
- Applying for State Aid and Scholarships
- Special Programs
- Award Packages
- Filling the GAP
- Other Miscellaneous Information
- Important websites



# Important Things to Know

- Deadline Dates
  - Admission & Financial Aid deadlines are different
- File taxes early each year
- Each school may require different forms
  - FAFSA – Free Application for Federal Student Aid
  - CSS Profile – College Scholarship Service Profile
  - ETA – Express TAP Application
  - Institutional forms
- Special Circumstances
  - Recent job loss, divorce/separation, major illness



# Planning Tools

- Net Price Calculator
  - Each school must have one
  - Helps estimate what your student may qualify for
- FAFSA4caster
  - *FAFSA4caster* is an early eligibility estimator that can help you plan ahead when it comes to paying for college.



# Applying for Federal Aid

[www.fafsa.ed.gov](http://www.fafsa.ed.gov)

Federal Student Aid | An OFFICE of the U.S. DEPARTMENT of EDUCATION | PROUD SPONSOR of the AMERICAN MIND™ | FAFSA™

**Free Application for Federal Student Aid**

Home | About Us | PIN Site | Student Aid on the Web | Help | SEARCH | English | Español

## Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)

**New to the FAFSA?**

**Start A New FAFSA**

**Returning User?**

- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

**Login**

# Applying for Federal Aid

**Not** [www.fafsa.com](http://www.fafsa.com)

**STUDENT FINANCIAL AID SERVICES INC.** [Returning Applicant Login](#)  
We are not affiliated with the Dept of Education

[Home](#) [Understanding FAFSA](#) [Student Financial Aid](#) [Services](#) [Deadlines](#) [Client Feedback](#) [About Us](#) [Contact Us](#)

## File your Application for Federal Student Aid.

Become a client of the nation's oldest and largest student aid advisory service for as little as \$79.99.

New FAFSA Applicant?

### Which FAFSA are you filing?

2012-13 - For Fall 2012 through Spring 2013

Need a printable FAFSA Checklist?


[File Online Now](#)

File by phone. It's fast & easy  
Get immediate guidance now!

## 1.866.514.8938

Have a Student Aid Advisor complete the FAFSA for you to maximize your eligibility.

Se Habla Español 1.866.943.0886



Evaluate and apply for private student loans. Visit our

### STUDENT LOAN CENTER

[>> Get Started Today!](#)

**Client Feedback**

"My Student Aid Advisor was very helpful and she actually helped save us about \$25,000 because of the information that I neglected to put on my FAFSA when I tried to do it on my own..." Patricia B. Mandeville, LA

[>> Read 200,000+ client comments](#)

**Using a FAFSA Preparer**

Like filing your taxes, the FAFSA can be filed for free via paper or electronic forms without professional assistance at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). Many people however, choose to use a FAFSA preparer, just like a tax preparer, to provide personal advice, consultation and review of their important FAFSA application.

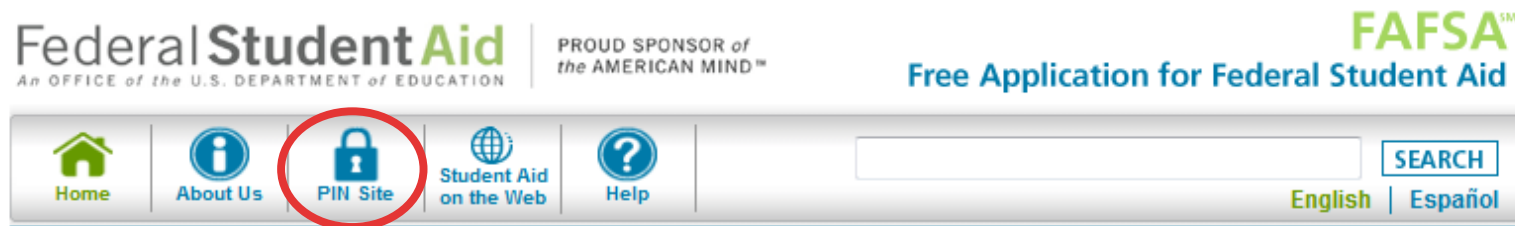
**Free FAFSA Services**

If you are looking for free services to assist you with your FAFSA or the financial aid process, be sure to check out these support services.

[>> Getting FAFSA help](#)

# Applying for Federal Aid

- Complete online
- Student *and* parent can sign electronically using PIN



- Available January 1<sup>st</sup> each year
- Find out priority deadline for campus based and institutional aid
- FAFSA must be renewed annually



# Applying for Federal Aid

- Can use the IRS Data Retrieval Tool (DRT) for faster and more accurate completion of the FAFSA.
  - Links to IRS to input some of the tax information onto FAFSA
  - Cannot be used by all tax filers
- Tax information typically available
  - 1-2 weeks after filing electronic return
  - 6-8 weeks after filing paper return



# Applying for NYS Aid



The screenshot shows the top navigation bar of the HESC website. On the left, it says "New York State" with a small map of New York and "State Agencies". On the right, there is a search bar with the text "Search all of NY.gov". Below the navigation bar is the HESC logo, which includes a graduation cap and the text "HESC We Help People Pay For College". To the right of the logo is the text "New York State Higher Education Services Corporation" and "Andrew M. Cuomo, Governor" and "Elsa Magee, Acting President". There are two buttons: "High School Counselors" and "Financial Aid Professionals". A search bar with the text "Search" and a "GO" button is also present. The main banner features the text "Paying for College." and "HESC helps make college dreams a reality." with a photo of a young man.

- TAP – Tuition Assistance Program
- NY State resident
- Must have completed FAFSA on file
- Awards range from \$500 - \$5,000
- HESC notifies student via e-mail when ETA available to complete

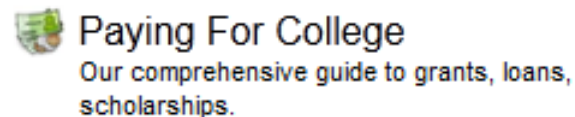
[www.hesc.ny.gov](http://www.hesc.ny.gov)



Applying for Financial Aid  
All about how the financial aid process works.

# NY State Scholarships

- NYS offers several scholarships
  - NYS World Trade Center Memorial Scholarship
  - Flight 587 Memorial Scholarship
  - NYS Math & Science Teaching Incentive Scholarship
  - NYS Scholarships for Academic Excellence



[www.hesc.ny.gov](http://www.hesc.ny.gov)

# Special Programs

- Educational Opportunity Program (EOP)
  - Also referred to as SEEK or HEOP
  - Requirements include:
    - Ineligible for admission under traditional standards but demonstrates potential for completing college program
    - Annual family income within legislated guidelines
    - NY resident, U.S. citizen or permanent resident
- Honors Programs



# Award Packages

How financial aid eligibility is determined:

COA (Cost of Attendance)

- EFC (Expected Family Contribution)

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Financial Need

- COA includes:

- Direct Costs

- Tuition
- Fees
- Room and Board

- Indirect Costs

- Books
- Transportation
- Personal Expenses



# Award Packages

- FAFSA information sent to schools listed on the application
- Student must be admitted to receive aid package
- School will contact student if additional documentation needed
- Financial aid award package is created
- Student is notified
  - Mail
  - Electronic
    - E-mail
    - School portal



# Award Packages

- Federal Grants
  - Pell
    - \$605 - \$5,645
  - Supplemental Educational Opportunity Grant (SEOG)
    - \$100 - \$4,000
- Federal Loans
  - Federal Direct Loan
    - Subsidized and Unsubsidized
  - Federal Perkins Loan
  - Federal Direct Parent PLUS Loan
- Employment
  - Federal Work Study
- State Grants
  - TAP
- Institutional Aid
  - Merit Scholarships
  - Campus Grants
  - Find out terms of these awards
    - 1 year vs. multi-year
    - Eligibility requirements



# Award Packages - Loans

## Federal Perkins Loan

- Must have financial need
- Repaid to school where loan was received
- Repayment after 9 month grace period
  - Grace begins after graduation or when enrollment falls below half-time
- No interest while student is and school and in grace
- Interest fixed 5%



## Federal Direct Subsidized Loan

- Must have financial need
- Gov' t. pays interest while student is in school and in grace\*
- Interest rate for 2013-2014 fixed 3.86%
  - Rates now tied to 10-YR T-Bill
- Repayment after 6 month grace period
  - Grace begins after graduation or when enrollment falls below half-time
- Annual loan limit depends on grade level
  - \$3,500 - \$5,500



# Award Packages - Loans

## Federal Direct Unsubsidized Loan

- Financial need **not** required
- The borrower is responsible for all interest
  - May be paid while in school or deferred
- Interest rate for 2013-2014 is fixed 3.86%
  - Rates now tied to 10-YR T-Bill

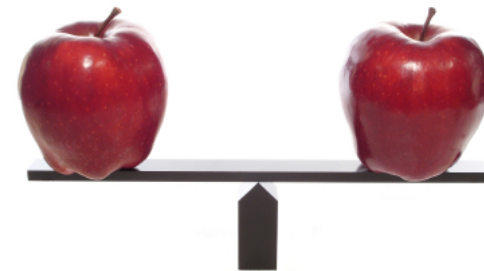
## Parent PLUS Loan

- For parents of dependent undergrad students
- Financial need **not** required
- Borrower must not have adverse credit history
  - Denial gives student additional unsubsidized eligibility
- Interest rate for 2013-2014 is fixed 6.41%
  - Rates now tied to 10-YR T-Bill
- Max amount is COA minus other aid received



# Award Packages – Comparing Offers

- Need to look at the total cost
  - Consider transportation, books, and other misc. expenses
- Evaluate the awards that make up the award package
  - Amount of gift aid
  - Amount of self-help
    - Loans
    - Employment
  - Terms and conditions of institutional aid
  - Campus based awards – Perkins, FWS, SEOG
- Compare the annual net cost
- Utilize federal loan calculators to understand what loan repayment will look like after graduation



# Filling the GAP

- Balance can be paid directly
- School Payment Plans
  - 529 Payment Plans
- Parent PLUS Loan
- Private Alternative Loan
  - Credit based
  - Student may need co-signer



# Other Misc. Info

- Education tax credits
  - School issues 1098-T
  - Credits described in IRS Publication 970
  - Talk to your accountant to see if you qualify
- Parents should speak to employers for scholarships/benefits for their student
- Look for scholarships
  - Outside of school
    - Community based
    - National scholarship searches
  - Scholarships that require a separate application
- AmeriCorps
  - National & community service
  - Provides funding for education in exchange for service
  - Education award up to \$5,550
  - Can be used to pay current or future education expenses *or* repay federal student loans



# Important Websites

- FAFSA
  - [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
  - 1-800-433-3243
- HESC
  - [www.hesc.ny.gov](http://www.hesc.ny.gov)
  - 1-888-NYS-HESC (697-4372)
- Federal Student Aid
  - [www.studentaid.gov](http://www.studentaid.gov)
- AmeriCorps
  - [www.americorps.gov](http://www.americorps.gov)
  - 1-800-833-3722
- Scholarship Searches
  - Fastweb – [www.fastweb.com](http://www.fastweb.com)



Hopefully how you feel now...



*Ohhh...now I get it!*



# Questions

