

# VJM Financial Aid Night with Joe Alaimo

9/21 Mrs. Bedrosian, Mrs. Smith, and Mrs. Perez

# Joe Alaimo's Contact Information

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# FAFSA-the idea is to reduce the cost of college!

\*2022-2023 Version [www.fafsa.gov](http://www.fafsa.gov) (it is free to apply!) ([FAFSA@Application.Federal.Student.Aid](mailto:FAFSA@Application.Federal.Student.Aid))

\*Opens October 1st-fill out as soon as possible (Joe suggests to wait until the weekend after, as many are beginning to login.)

\*Need to create an FSA ID for each student and one parent. Need to apply for the FSA ID, in order to begin the FAFSA. Save them because it is completed every each. Each child needs one, and if a parent has more than one child in college, that parent only gets one FSA ID.

\*Each college/university has a deadline for the FAFSA. The FAFSA is filed each each year the student attends college.

# FAFSA continued...

- \*Need **2020 Tax Returns Available** to complete the FAFSA (have them on hand while completing the FAFSA). They can transfer into the FAFSA. Submit using the FSA ID (signature) and will go to the Dept. of Education.
- \* Joe stressed the importance of the student being involved in the process
- \*If the student had a job and filed 2020 tax return, the amount will be verified.
- \*Up to 10 different schools can be listed on the FAFSA. Once submitted to schools, students can go back in and remove and submit to add additional schools. The FAFSA can be edited.

# FAFSA continued...

\*Once the FAFSA is filed, a Student Aid Report (SAR) will be generated and sent via email or by mail depending on what information is inputted-make sure it goes to an email that is checked. Save the file on your computer and print a hard copy and create a Financial Aid folder at home for safe keeping.

\*In that SAR, there will be an EFC # (Estimated Family Contribution)-this number is used by the financial aid offices to figure student/family financial need. It's a guide of what family can pay out of pocket for 1 year of college. The award package is based on this number. The closer to zero-the more need. The more need, the more money the student/family is eligible for. Information sent to colleges and awards letters start to come out (some November, December, and some January and later.)

# FAFSA, SAR, & EFC continued....

- \*When the FAFSA is submitted to the college, the financial aid office will then formulate the award letter once the student is accepted into the college.
- \*Each student (twins, siblings, etc.) receive their own award letter. EFC can be impacted depending on how many children in a household are currently in college.
- \*When filing, multiple households, remarriages, etc. can impact which parent files and who needs to be incorporated into the FAFSA-if you have specific questions, feel free to email Joe Alaimo about your circumstances.

CSS Profile-this determines institutional money (another form that some schools require to build the award letter...) \*they will ask for everything

<https://cssprofile.collegeboard.org/>

<https://profile.collegeboard.org/profile/ppi/participatingInstitutions.aspx>

\*not every college requires the CSS Profile, but college's have deadlines for the CSS, as well, including Drexel, American, and other private institutions.

\*The CSS is more detailed, as this indicates money that students may qualify based on the institution and/or scholarship/grant available at a particular college

\*There is a cost for the CSS Profile

# The Award Letter from a College (after student is accepted...) \*begin being released November and can go into the spring, but students will receive in time to make decisions.

\*The Financial Aid Office generates a “Cost of Attendance” (budget for Room & Board), which is the total possible annual cost of attendance to the college.

\*In this award letter, there will be a variety of different types of money outlined depending on the FAFSA, SAR (EFC), CSS, and other required financial documents.

\*Grants and scholarships are referred to as “free money”-you do not pay these back. Merit money would be listed on award letters, too. Merit \$ varies based on total cost of school (attendance).

\*Work study is DOE funds and is money earned by student on campus

\*What is the total “out of pocket” cost for each school after aid, scholarships, etc.???? That’s how you compare the cost of the school and what family will have to pay. What will be the best fit for the student?

# Award Letter continued...

\*Educational loans-maximum amount is \$5500 for 1st year (amount increases each consecutive year). These loans do not get paid off until AFTER graduation, and students have 6 months before begin payment.

**2 Types: 1. Subsidized Stafford Loan \*usually about \$3500**

**2. Unsubsidized Stafford Loan \*usually about \$2000**

\*They both accrue interest, but the Dept. of Education will take care of the interest for the subsidized loan.

\*You can accept or not accept to take these loans before enrolling in the college.

# What does it mean to “appeal”?

A family and a student has the right to request an appeal, in terms of the student’s award letter. If the family feels that the award package does not reflect demonstrated need, then the college will have the family/student write an appeal letter to relook at the student’s award letter. If the college can, they may offer more money. Sometimes, they are just not able to offer more.

# How do I make that final decision? (what is the out-of-pocket difference between schools?)

Cost vs. match for student?

How significant is the difference?

What is feasible and not feasible?

\*Joe Alaimo said to remember that every school has a different total cost, and even though one may give “more money”, the percentage and context may actually both reflect the same EFC.

\*The most important number to look at is the bottom line-what is the total out-of-pocket cost AFTER merit money, grants, scholarships, stafford loans, etc.?

# Decision-making continued....

Remember to make a spreadsheet of cost vs. major/program, interest, etc.

What is the remaining need? Will this require private loans (i.e. Sallie Mae)?  
Co-signer?

What can the college help with? Payment plans? Other loans, grants, scholarships? Does the college use a particular lender? Interest on loans depends on credit scores and individual financial circumstances.

# Merit Scholarships

\*Students receive through the office of admissions-based on GPAs and/or test scores. Clubs, leadership, involvement, etc., are also included in this.

\*These are usually listed in the acceptance letter, and then also listed on the award letter.

**\*They are not based on the FAFSA and do not need to be paid back :)**

# Scholarships

Fastweb, Niche, PHEAA.org., and even the Common Application has a list!

Scholarships.com

CollegeBoard

RaiseMe (microscholarships)

Naviance (local, regional, national) \*emails from Mrs. Bedrosian

**Check all financial aid websites for each college & university for grants and scholarships. Some scholarships require separate applications.**

# Other Suggestions:

Families can use the college's payment plan to break up the payments.

Families can do the Parent Plus Loan-apply through Financial Aid

\*can request to defer payment on parent plus loan until student graduates, but interest does collect on it

Students can take out a private loan (based on credit)

\*Can use a 529 plan to help pay for it

If trying to sort out paying for college, students/families can do a combo of all

# Previous Common Questions & Answers from Joe....

## FAFSA, Loans, 529s, EFC, etc.

1. Do I need to complete the FAFSA to be considered for a merit scholarship? No
2. Do I need to complete the FAFSA to be considered for institutional aid? Yes
3. Do I need to complete the FAFSA in order to get an unsubsidized student loan? Yes or no\*may not qualify
4. What if I don't think I will qualify for need-based money...should I file the FAFSA? Joe says "yes"-you never know what could happen financially....
5. Will filing the FAFSA negatively impact my student's ability to get accepted to the college? No
6. Should a Pennsylvania school be listed first on the FAFSA? Does the order matter? Yes, so PHEAA can see easily if the student qualifies for the PA State Grant.
7. 529 plans-better if they are in the grandparents' names, otherwise figured into FAFSA as assets for student/parent
8. Retirement plan is not an asset!
9. Enrollment deposits range from \$250-\$1000-each college has a deadline for the deposit and vary greatly on whether or not they can be refunded.

# Other Important Notes:

- 1 - Do the financial aid calculator ***BEFORE*** you start visiting
- 2 - Every small scholarship counts!
  - Banks, credit unions, towns, social groups, ethnic groups, employers, retailers, etc.
- 3- Your assets and your child's assets count (not grandparents)

# Other points made:

FAFSA has nothing to do with admissions or merit \$!

\*Free to apply so there is no harm!

\*You do not need to take any loans that are offered.

\*If there is any “need”, the FAFSA might be needed for a need-based scholarship.

\*A school may not be able to meet 100% need

\*529 plans will increase EFC #’s because they are educational funds (if in grandparents’ name then it is not a parent or student asset)

\*If parents are divorced-only one parent has to file the FAFSA

\*If a student qualifies for state funds (PHEAA), they need to be set up by May 1st to get those funds. This will be done through the FAFSA. Yes primarily want student to go to school in PA, but there are some reciprocity with that grant.

\*

Your daughter will select a place by May 1st!

