

Agenda:

- 1. Parts of Financial Aid Award Letter**
- 2. Key Financial Facts**
- 3. Evaluate Award Letter**



How Financial Aid Works:

- 1. Fill Out FAFSA/CSS Profile**
 - 2. Number (\$\$) Generated Indicating What Your Family Can Pay (Expected Family Contribution)**
 - 1. College Offers Financial Aid Based on This Number****
- **College is Under No Obligation to Meet Full Need!**

Understanding Award Letters



Medford UNIVERSITY

Financial Aid Award Letter

	<u>Total</u>
Federal Pell Grant.....	\$2500
Work Study.....	\$1400
Federal Direct Subsidized Loan.....	\$3500
Paul D'Alleva Award.....	\$500
Mass Grant.....	\$1600
Federal Direct Unsubsidized Loan.....	\$2000
McGlynn Scholarship.....	\$15,000
<hr/>	
Total Award.....	\$26,500

Free Money

Does Not Have to Be Paid Back

Includes:

“Award”

“Scholarship” -

“Grant”

“Work Study”



Please Enter in Chat:
**How Much Free Money Did
This Student Receive?**

Financial Aid Award Letter

	<u>Total</u>
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<hr/>	
Total Award.....	\$26,500

How Much Free Money Did This Student Receive?

Answer: \$21,000/Year



Warning

****Work Study is NOT
Guaranteed Money****

****You Must Find a
Job Yourself & Put Money
Toward Your Bill****

Warning

**Beware of the Scholarship
Award Fallacy!**

**Some Schools Will Throw What
Look Like Large Scholarships
at You, But They May Not Cover
Enough of Your Bill**

(Share Story of Student)

Loans

Federal Direct Subsidized Loan	Federal Direct Unsubsidized Loan
2.75% Interest (Subject to Change)	2.75% Interest (Subject to Change)
Gov. Pays Interest Until You Graduate	You Pay Interest (Or It Accrues, Loan Gets Bigger)
Eligible for Income-Driven Repayment Upon Graduating	Eligible For Income-Driven Repayment Upon Graduating

Q: How much can I borrow?

Dependent student borrowing limits for subsidized and unsubsidized loans

Year in School	Subsidized Loan Limit	Overall Federal Student Loan Limit (including Subsidized)
First Year	3,500	5,500
Second Year	4,500	6,500
Third Year and Beyond	5,500	7,500
Aggregate (total) federal loan limit	23,000	31,000

Q: What should most students expect to owe after 4 year?

Year in School	Subsidized Loan Limit	Unsubsidized Loan	Overall Federal Student Loans (for 4 years) (including Subsidized)
First Year	3,500	2,000	5,500
Second Year	4,500	2,000	6,500
Third Year	5,500	2,000	7,500
Fourth Year	5,500	2,000	7,500
Total Owed after 4 years			?????

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Year in School	Subsidized Loan Limit	Unsubsidized Loan	Overall Federal Student Loans (for 4 years) (including Subsidized)
First Year	3,500	2,000	5,500
Second Year	4,500	2,000	6,500
Third Year	5,500	2,000	7,500
Fourth Year	5,500	2,000	7,500
Total Owed after 4 years	19,000	8,000	27,000

Q: What is Income-Driven Repayment?

A: Upon Graduating, If You Qualify, Loan Payments are Capped at 10-20% of Your Income, Depending on the Plan.

Q: What if my financial aid does not cover the total cost of attendance?

A: You will have to look into additional loans

LOAN APPLICATION

Personal Information

Name (Last)	PUBLIC	(First)	JOHN	(Middle Initial)		Home Telephone	(1111) 1111
Address (Mailing Address)	12345 MAIN STREET	(City)	ANYWHERE	(State)	22	Zip	999999
Other Address	10P-10P10P10P10P10P					Other Telephone	2222 2222

APPROVED

APPLICANT'S UNDER REVIEW

SUBJECT	REVIEW
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Parent-Plus Loans:

Parent-Plus Loan (Federal)

**Parent May Apply to Take Out a Loan
for Child's Education**

Parent is on the Hook for the Loan

**Pay Interest from Day Take Out Loan
(or it Accrues)**

Private Loans:

Private Loans

Interest Rates Vary, Generally Higher than Gov. Loans

Pay Interest from Day Take Out Loan (Or It Accrues)

****Repayment Based on Fixed Schedule, Income Does not Matter****

How much will my loan really cost?

<u>Subsidized:</u>	<u>2.75% Interest</u>
<u>Unsubsidized:</u>	<u>2.75% Interest</u>
<u>Private (Sallie Mae):</u>	<u>4% -12% Interest</u>

On a \$20,000 loan paying back over 20 years...

Subsidized: \$22,898	(\$2,2898 interest)
Unsubsidized: \$26,047	(\$6,047 interest)
Sallie Mae (8% Int.): \$40,209	(\$20,209 interest)

Final Facts

Q: For every \$10,000 in college loans you take out, what will be your approximate monthly payment?

Final Facts

Q: For every \$10,000 in college loans you take out, what will be your approximate monthly payment?

A: \$100

Final Facts

Q: Will failure to pay your college loans affect your credit?

Final Facts

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A: Yes! You could then end up paying higher interest on a car loan and have trouble getting a mortgage.

Final Facts

Q: If someone is overwhelmed by debt a couple years after graduating college, will declaring bankruptcy clear college loans?

Final Facts

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A: No! College loans follow you until you pay them off (or until death.)

Final Facts

Q: If someone is not happy with their financial aid award, can they file an appeal with the college's financial aid office?

Final Facts

Q: If someone is not happy with their financial aid award, can they file an appeal with the college's financial aid office?

A: Yes, every college has a different process, but it can't hurt to try!

Final Facts

Q: A College Offered Me a Loan for \$10,000 But I Only Need \$6,000. Do I Need to Sign for the Entire Loan?

Final Facts

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A: No, You Can Take Out Just What You Need.

Northeastern

“Free Money”

**Loans
Offered**

**Add'l Loans
Needed**

Loan Total

**Est. Loan
Payment**

DETAILED OFFER OF FINANCIAL ASSISTANCE

Your Offer of Financial Assistance for the 2017-2018 academic year is based on your demonstrated financial need, as determined by the CSS/Financial Aid PROFILE and Free Application for Federal Student Aid (FAFSA), as well as your academic performance. Please be advised that if data on the CSS Profile or Free Application for Federal Student Aid change because we have verified the accuracy of the data, or you have made adjustments to the data, a recalculation of your eligibility for any of the aid listed below may be necessary. If that occurs, you will be notified with a Revised Offer of Financial Assistance.

A detailed statement of your financial aid award and anticipated costs is listed below. Your Offer of Financial Assistance may include **Gift Aid** (scholarships/grants) and/or **Self-Help Options** (Federal Work-Study and/or student loans).

Offer of Assistance

Source	Fall	Spring	Total
Dean's Scholarship	\$6,000	\$6,000	\$12,000
Northeastern University Grant	\$14,450	\$14,450	\$28,900
Federal Pell Grant	\$385	\$385	\$770
Federal SEOG Grant	\$1,500	\$1,500	\$3,000
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Perkins Loan	\$1,000	\$1,000	\$2,000
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Federal Work-Study Program	\$1,100	\$1,100	\$2,200
	-----	-----	-----
Total	\$27,185	\$27,185	\$54,370

Estimated Costs

Budget Category	Amount
Tuition	\$48,560
Student Center Fee	\$140
Student Activity Fee	\$131
Residence Hall Fee	\$64
Room & Board	\$15,660
Books & Supplies	\$1,000
Transportation	\$900
Personal Expenses	\$900
Campus Rec. Fee	\$112
Undergrad Student Fee	\$490

Budget Totals	\$67,957

Northeastern

“Free Money”

\$46,870

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Loans Offered

\$7,500

Offer of Assistance

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	-----	-----	-----
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Add'l Loans Needed

\$13,587

Estimated Costs

Budget Category	Amount
Tuition	\$48,560
Student Center Fee	\$140
Student Activity Fee	\$131
Residence Hall Fee	\$64
Room & Board	\$15,660
Books & Supplies	\$1,000
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Budget Totals	\$67,957

Loan Total

\$21,087

Est. Loan Payment

**\$210/
month**

Submit Your FAFSA ASAP!

- Colleges award free money “first come, first served”**
- Colleges have different FAFSA deadlines, check with financial aid office**

FAFSA Assistance

Boston Area Educational Opportunity Center

Boston Public Library - Copley Square

700 Boylston Street

Lower Level

Boston, MA 02116

Contact us to get started!

617-536-0200

bpierce@massedco.org

Available to Adults and Youth



Get directions to [Boston Area Educational Opportunity Center](#)

Due to COVID-19, our centers are currently closed, but our Education & Career Planning Center Advisors are still available for support at home. Our advisors are available to answer calls and emails.

617-536-0200

bpierce@massedco.org



EVENTS HELD IN NOVEMBER, JANUARY, and MORE

FAFSA DAY

MASSACHUSETTS

- Receive **FREE** personalized assistance with completing FAFSA
- <https://masfaa.org/fafsaday/#locations>

Day	↕ Date	↕ Time	↕ Language	↕ Click to Register	↕
Wednesday	October 21, 2020	7:00 – 8:30pm	English	Click to Register	
Thursday	November 12, 2020	6:30 – 8:00pm	en Espanol	Coming soon Próximamente	
Sunday	November 15, 2020	2:00 – 3:30pm	English	Click to Register	
Monday	December 14, 2020	12:00 – 1:30pm	English	Click to Register	
Sunday	January 10, 2021	2:00 – 3:30pm	English	Click to Register	
Sunday	February 7, 2021	2:00 – 3:30pm	en Espanol	Coming soon Próximamente	
Thursday	February, 11, 2021	7:00 – 8:30pm	English	Click to Register	

MEFA

(Massachusetts Educational Financing Authority)

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College Financing

Thursday, November 05, 2020 | 6:30pm - 8:00pm

This webinar will provide information and clarity on the entire college financial aid application process. You'll learn about financial aid applications and types of financial aid, the factors that determine your aid eligibility, how colleges determine the amount of aid to offer, and the details of financial aid offers. To request closed captioning or any other accommodations on a webinar, please contact Lauren Patten at lpatten@mefa.org or 617-224-4856 at least one week in advance of the webinar.

FAFSA Day MA Event

Sunday, November 15, 2020 | 2:00pm - 3:30pm

The FAFSA (Free Application for Federal Student Aid) became available on October 1, 2020 for students attending college in the 2021-22 academic year. Have questions about filling out the FAFSA? Financial aid experts will go through a short presentation followed by a live Q/A session to get FREE help applying for financial aid for college.

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Check Email 10/28 for Link