

Financial Aid 101

Paying for College

Pikeville High School

What is financial aid?

- Financial aid is any type of monetary assistance you receive to help pay for college expenses. This includes help with tuition, living expenses, books, and more. Aid can come from any number of sources—state, local, and federal government, the college itself, professional organizations, businesses and corporations, or non-profit organizations. Financial aid can be based on one of three different things:
 1. Academics—such as GPA or test scores,
 2. Talent—such as sports or music,
 3. Need—family income compared to college costs.

What are the 4 different types of aid to pay for college?

Scholarships

Grants

Loans

Work-Study

Scholarships

- A scholarship is financial aid that is awarded on various criteria that are decided on by the donor or founder of the scholarship.
- Scholarship money is not required to be repaid.
- Scholarships can be awarded on the basis of merit, need, talent, or career/college specific.
- You get scholarships by filling out lots of applications. Every different scholarship will have its own unique application and selection criteria. The largest scholarships will probably come from your college.
- To find out about scholarships you can check the Senior Newsletter, Infinite Campus, internet scholarship searches, the financial aid offices of the colleges to which you have applied.

Grants

- Grants are awarded by the federal or state government on the basis of economic need.
- You get grants by filling out the Free Application for Federal Student Aid, commonly known as the FAFSA.
- Grants do not have to be repaid.
- Grants money is limited. Students who file the FAFSA by the priority deadlines have a better chance at getting a grant than students who do not file early.

Loans

- College loans can come from the government or a private lender. College loans from the government are commonly called “student loans”.
- Any loan you receive for college expenses, no matter the source, must be repaid. Terms for repayment vary and depend on the type of loan you receive.
- The Federal Stafford Loan is the most common type of loan. You must file a FAFSA to be eligible to receive one. Stafford loans have a low fixed interest rate, acceptance is not based on credit, and repayment does not begin until the student leaves school.

Work-Study Programs

- Work-Study can be awarded through the college or through the Federal Work Study Program.
- If you receive work-study, you get a job on campus and your wages are either given to you to help pay for day to day college expenses or they are applied directly to your tuition bill.
- Work-Study is awarded through the FAFSA and is based on financial need.

FAFSA

- The way that you apply for need based financial aid is by filling out the FAFSA form online at www.fafsa.ed.gov or on their mobile app Federal Student Aid on iOS or Android
- You are eligible to receive need based aid with the FAFSA if you are:
 - A US citizen or eligible non-citizen,
 - Valid Social Security Number,
 - Accepted into a college,
 - And male students must be registered with Selective Service at age 18.

FAFSA Step 1: FSA ID Number

- Get a FSA ID Number for you and another one for your parent.
- Get the number at www.fsaaid.ed.gov
- Print and keep your username and password somewhere safe. You will need it every year you do a FAFSA.
- If your parent already has an FSA ID number for an older sibling, they do not need a new one. If they have a FAFSA PIN number from prior to 2016, they will need it to get a FSA ID Number. PINs stopped being used in 2016, but the information is still in the system.

FAFSA Step 2: Gather Documentation

- You will need the following information to fill out the FAFSA.
 - Social Security numbers for you and your parents/guardians,
 - Driver's License Number,
 - Alien Registration Number if not a citizen,
 - Federal income tax information for 2018.
 - Record of untaxed income such as child support received, interest income, veteran's benefits, etc.
 - Record of assets such as Savings and Checking Account balances, investments, real estate other than primary residence, business and farm assets.
- There is a worksheet called "FAFSA on the Web Worksheet" that you can fill out prior to starting the online form that will help you organize all the needed information.

FAFSA Step 3: Submit FAFSA Online

- At www.FAFSA.ed.gov you will submit all of the information you have gathered.
- There is a student section and a parent/guardian section. (If your parents are divorced you use the financial information of the parent that you live with more than 50% of the time.)
- Choose the colleges that you want to receive your FAFSA information. Choose every college that you want to receive an offer of financial information from, even if you are not yet fully accepted.
- Sign and submit your FAFSA using your PIN and your Parent/Guardian PIN.

VERY IMPORTANT

- You are filling out the FAFSA for your first year in college which is 2020-2021
- **DO NOT DO THE 2019-2020 FAFSA!!!!** You will be able to see the FAFSA for 2019-2020 but that one is not for you. That one is for CURRENT COLLEGE students. **THIS IS AN EASY MISTAKE TO MAKE, BUT VERY HARD TO GET CORRECTED.**

FAFSA Step 4: Wait for your results.

- After you file the FAFSA, you will receive a Student Aid Report (SAR). This usually takes a week or more depending on the date you file.
- Check the SAR carefully for errors.
- Look for your Estimated Family Contribution (EFC). The EFC is the dollar amount that you and your family will be expected to contribute to your college education.
- Each college that you are accepted to will try to meet your estimated need which is the Cost of Attendance minus the EFC.

FAFSA Step 5: Award Letters

- Sometime in the spring you will get an Award Letter from each college that accepts you.
- This letter will outline all of the financial aid that they are offering to you of any kind: Academic, Talent, or Need based.
- After you get all of your Award Letters, that is the time to decide which school is the best choice for you.
- Each letter will be different depending on the cost of the school and which particular scholarships that they have awarded to you. Here are two examples.

Award Offers

School #1

Total Cost of Attendance: \$25,000

EFC-\$4,000

Financial Need \$21,000

Total Aid Awarded:

KEES-\$2,000

Honor Scholarship-\$16,000

Volleyball Scholarship-\$2,000

Stafford Loan-\$1,000

\$21,000

You Pay-\$4,000

School #2

Total Cost of Attendance: \$12,000

EFC-\$4,000

Financial Need \$8,000

Total Aid Awarded:

KEES-\$2,000

Academic Scholarship-\$4,000

Volleyball Scholarship-\$2,000

\$8,000

You Pay-\$4,000

FAFSA Help

- October 24th at 6:30pm we will have our KHEAA rep here at the high school to assist anyone who still hasn't submitted their FAFSA.
- The Financial Aid office of any college or university. Does not need to be one that you are even applying to.
- www.kheaa.com
- www.fafsa.ed.gov
- Guidance Office-We can help with general questions or advice, but complex questions or help with verification needs to be done with a financial aid officer at a college.