
mefa[®]

College Financing



How to Participate in This Webinar

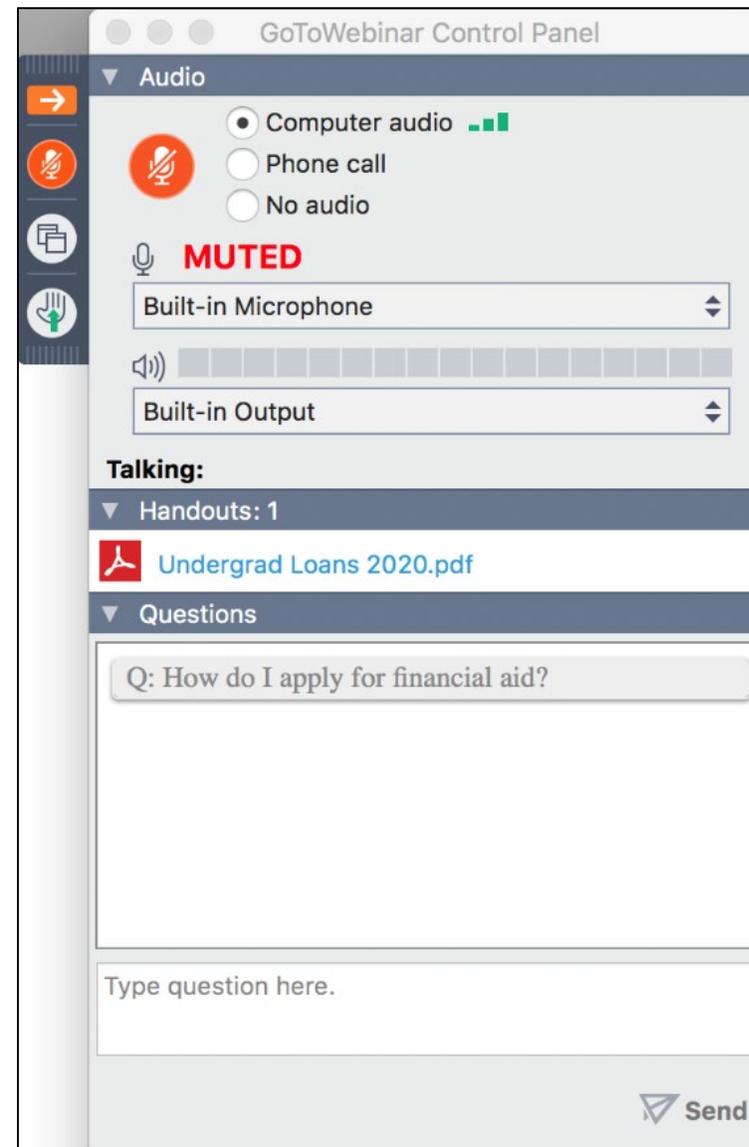
The microphone icon lets you know if you can be heard.
The presenter may mute everyone during the webinar.

The hand icon may be used if the presenter wants to
take a vote

Check the quality of your sound here

If the presenter provides handouts for the webinar, you
will find them here

Have a question during the webinar? Type it in the
Questions section



About MEFA



mefa[®]

Not-for-profit state authority created in 1982
helping families plan, save, and pay for college

Seminar Topics

- Find Out About Types & Sources of Financial Aid
- Review the Application Process
- Understand How Financial Aid Decisions Are Made
- Learn About Paying for College
- Discover Free Resources



Types and Sources of Financial Aid

What is Financial Aid?

Financial aid is money to help students pay for college



- 3 main types
 - Grants and scholarships (gift aid)
 - Federal work-study
 - Federal student loans

Sources of Financial Aid

Federal

- Grants, work-study, loans, tax incentives
- [StudentAid.gov](https://studentaid.gov)

Massachusetts

- Grants, scholarships, tuition waivers, loans
- mass.edu/osfa

College/University (institutional aid)

- Grants, scholarships, loans

Other Agencies

- Scholarships: Search through mefapathway.org, fastweb.com, and your school counselor

Federal Direct Student Loans

- Student is the sole borrower
- No credit check
- Subsidized and Unsubsidized
- 2.75% fixed interest rate for 2020-21
- Repayment:
 - No payments due while enrolled
 - Multiple options (many tied to income)
 - Total borrowed for 4 years: \$27,000 max
 - Estimated payment: \$300/month for 10 years
 - Estimated total debt: \$32,000-\$34,000
 - Deferment, forbearance, and forgiveness opportunities

Annual Loan Limits	
Freshman Year	\$5,500
Sophomore Year	\$6,500
Junior Year	\$7,500
Senior Year	\$7,500

The screenshot shows the StudentLoans.gov website. At the top, it says "Federal Student Aid" and "StudentLoans.gov" with "Log In" and "Español" links. A main banner features a group of diverse students and a "LOG IN" button. Below the banner are four navigation tabs: "Undergraduate Students", "Graduate/Professional Students", "Parent Borrowers", and "Repayment & Consolidation". The "Undergraduate Students" tab is selected, showing a list of steps for getting student aid, including completing entrance counseling, loan agreements, financial awareness counseling, exit counseling, and using the repayment estimator. A video thumbnail titled "How To Create An FSA ID" is also visible.

Merit-Based Aid



- Awarded in recognition of student achievements (academic, artistic, athletic, etc.)
- Might have renewable requirements or not be renewable
- Not offered at every college; check each college's website for details
- Separate application sometimes required (check deadlines!)
- Application deadline may be as early as November

Need-Based Aid



- Based on family's financial eligibility ("need")
- Eligibility determined by a standardized formula
- Includes grants, loans, and work-study
- Most financial aid is need-based
- Must be making satisfactory academic progress

The Application Process

Financial Aid Timeline

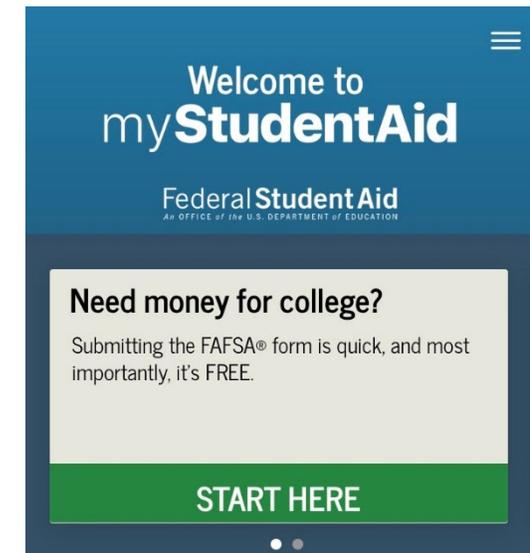
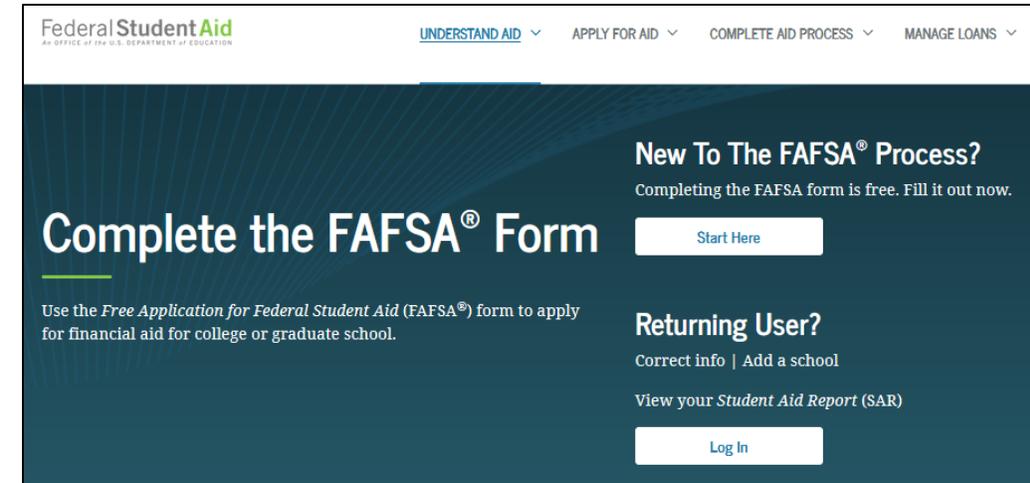
- Check deadlines and required applications on each college's website now
- Early action/decision deadlines are often in October or November
- Standard deadlines are typically in February or March
- **DON'T SUBMIT APPLICATIONS LATE**
- Use MEFA's College Application Manager to stay organized
 - mefa.org/college-application-manager



FAFSA®

13

- Free Application for Federal Student Aid (FAFSA)
- Required by all colleges
- Becomes available October 1st: fafsa.gov
- Easy completion on myStudentAid mobile app
- Log in with an FSA ID: fsaid.ed.gov
 - Both student and parent need one!
- IRS Data Retrieval Tool: Pull in federal tax data
- FAFSA webinar recording on mefa.org/events
- **MUST BE COMPLETED EVERY YEAR**



What's Reported on the FAFSA?

GENERAL INFORMATION

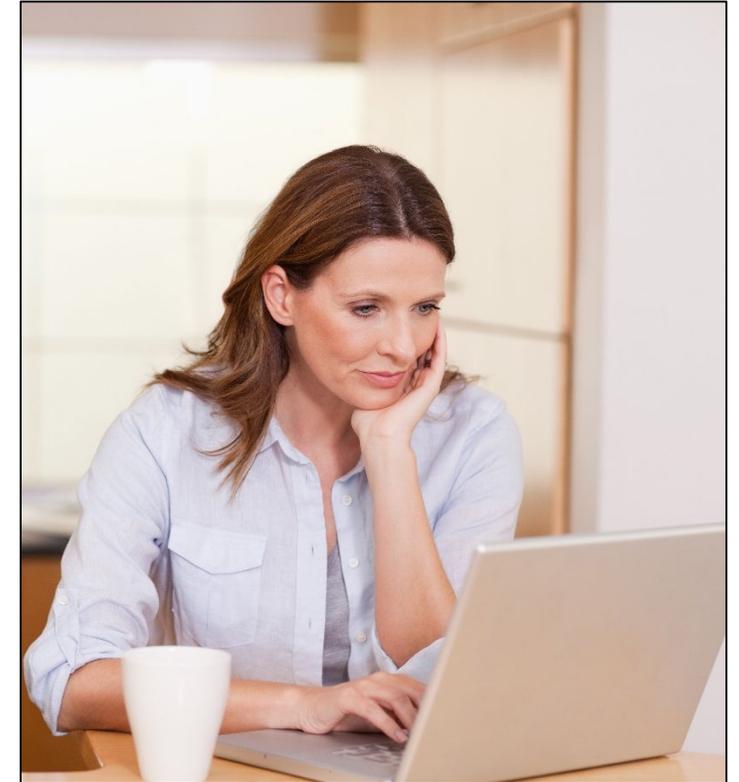
- Student citizenship status
 - Non-citizen parents:
 - Use zeros for SSN
 - Print signature page to sign (cannot get FSA ID)
- Colleges where student is applying (each one will receive your FAFSA)
- Parents
 - Married, including same-sex parents
 - All parents who live together, married or not
 - Divorced/Separated: custodial parent & current spouse
 - Legal guardians are NOT a parent
- # in household, # of children in college



What's Reported on the FAFSA?

FINANCIAL INFORMATION

- Parent and student income (2019 income for the 2021-22 FAFSA)
 - Both taxed and untaxed
- Parent and student assets
 - Include: savings, checking, investments, other property
 - Include: all 529 accounts as a parent asset
 - Do not include: primary home, value of retirement, life insurance, value of small family business
- Debt is not reported except debt on reported assets



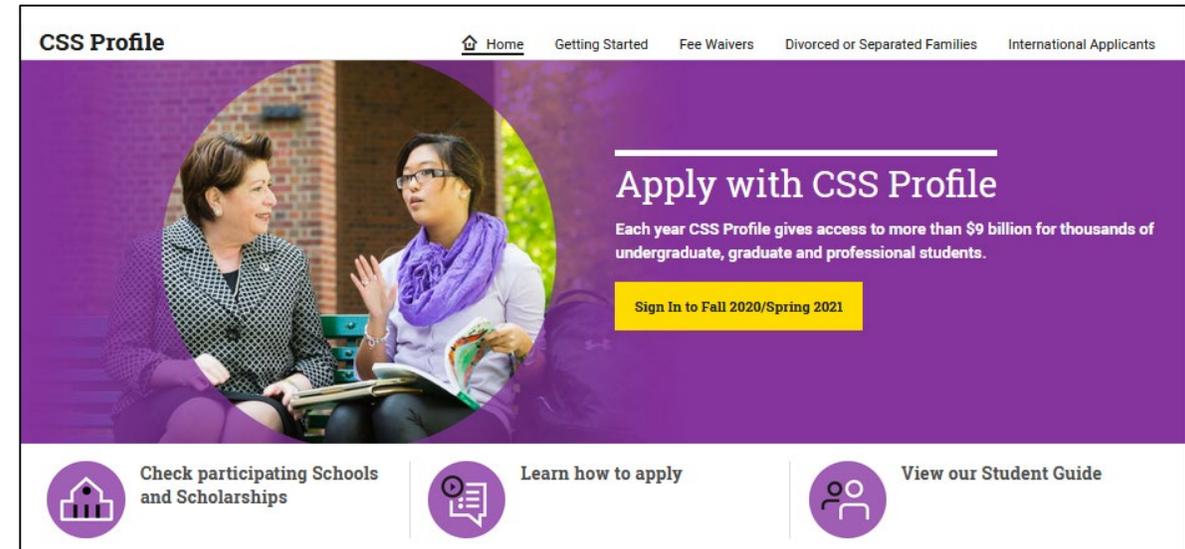
Other Financial Aid Applications

CSS Profile™

- cssprofile.org
- Required by some colleges and universities
- \$25 for 1st school, \$16 for each additional
- Becomes available October 1st
- Noncustodial parent will need to submit a separate Profile
- Profile webinar recording on mefa.org/events

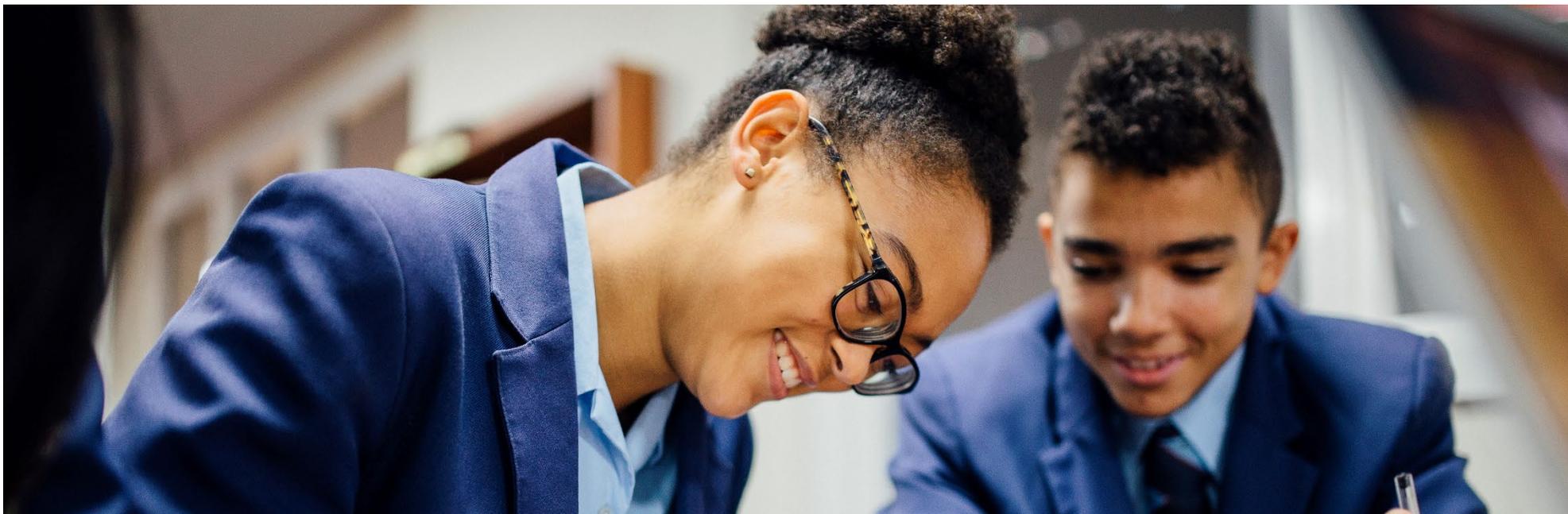
College Financial Aid Application

- Required by some colleges and universities



The screenshot shows the CSS Profile website homepage. The header includes the "CSS Profile" logo and navigation links for Home, Getting Started, Fee Waivers, Divorced or Separated Families, and International Applicants. The main content area features a purple background with a circular image of a woman and a student talking. Text on the page reads "Apply with CSS Profile" and "Each year CSS Profile gives access to more than \$9 billion for thousands of undergraduate, graduate and professional students." A yellow button says "Sign In to Fall 2020/Spring 2021". The footer has three icons with text: "Check participating Schools and Scholarships", "Learn how to apply", and "View our Student Guide".

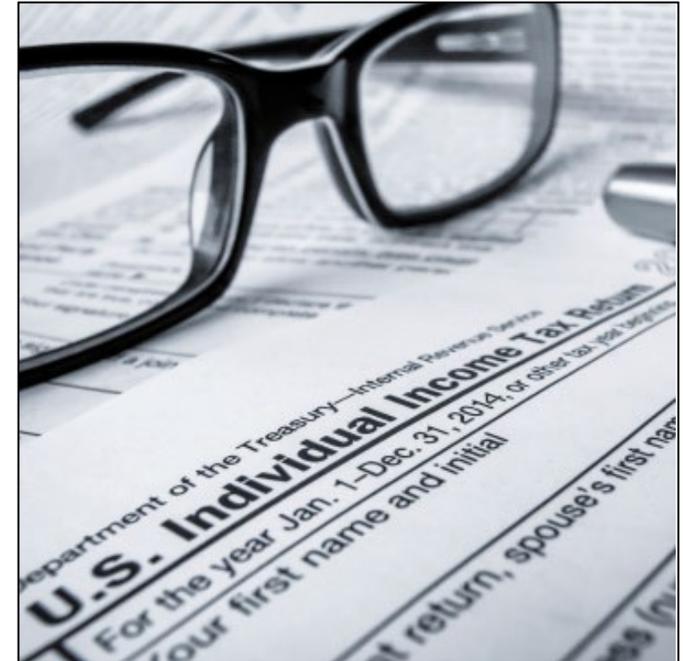
After You Apply



1. Colleges & state receive data electronically
2. Student will receive Student Aid Report (SAR) by mail or email
3. Contact the Financial Aid Office with any special circumstances
4. Colleges may request Federal Verification documents. The financial aid application is incomplete until you submit these documents.
5. Colleges review applications and determine the financial aid award

Verification

- Colleges verify data on financial aid applications
- Students selected by Department of Education or college
- Must comply with all requests to receive financial aid
- Families must submit additional documentation:
 - Tax Return
 - Verification Worksheet
 - Asset Account Statements
- Review all correspondence from colleges
- Log into college web portal for communications



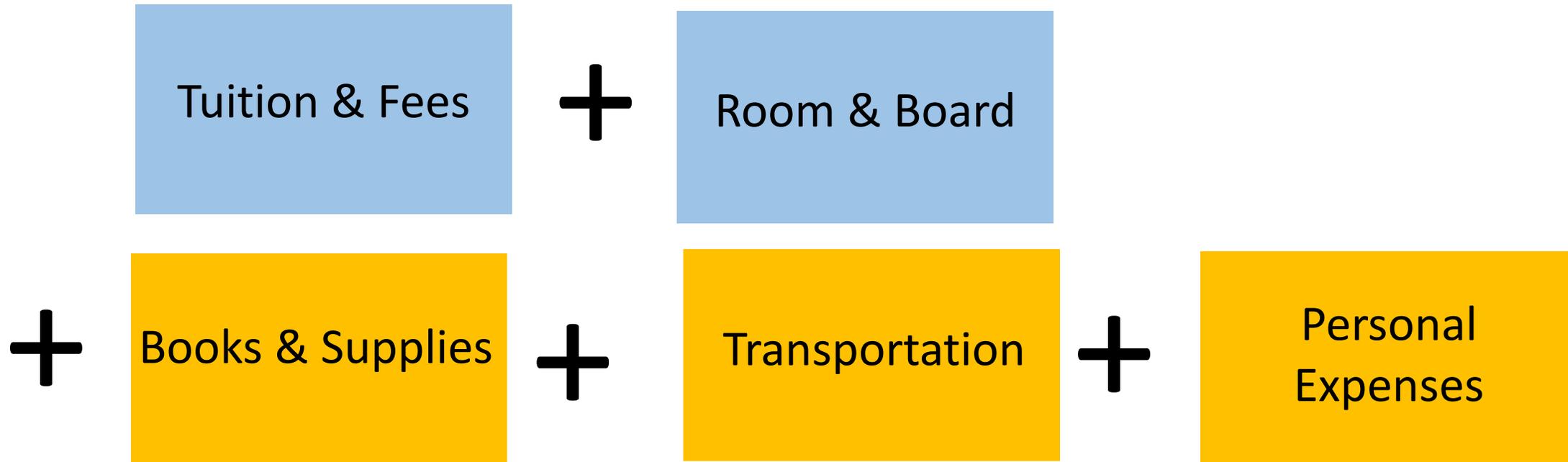
Financial Aid Office

<p>Learn about Your Financial Aid</p>	<ul style="list-style-type: none">• Financial aid renewability criteria (financial, academic)• Treatment of private scholarships
<p>Ask About Special Considerations</p>	<ul style="list-style-type: none">• Changes in family circumstances• Can I appeal my award? How?
<p>How to Contact the Financial Aid Office</p>	<ul style="list-style-type: none">• Phone call• Email• Chat (if offered)

How Financial Aid Decisions Are Made

Cost of Attendance (COA)

COA = Total Expenses for One Year of College



Expected Family Contribution (EFC)

- Amount family has ability to absorb for 1 year of college costs
- Same federal formula used for every family
- Some colleges also use an institutional EFC formula
- Family has the primary responsibility for paying
- Not necessarily what the family will pay
- Lowered if family has more than 1 child in college
- EFC Calculator on mefa.org
- EFC Formula on ifap.ed.gov



Financial Aid Formula

$$\begin{aligned} & \text{Cost of Attendance (COA)} \\ - & \text{Expected Family Contribution (EFC)} \end{aligned}$$

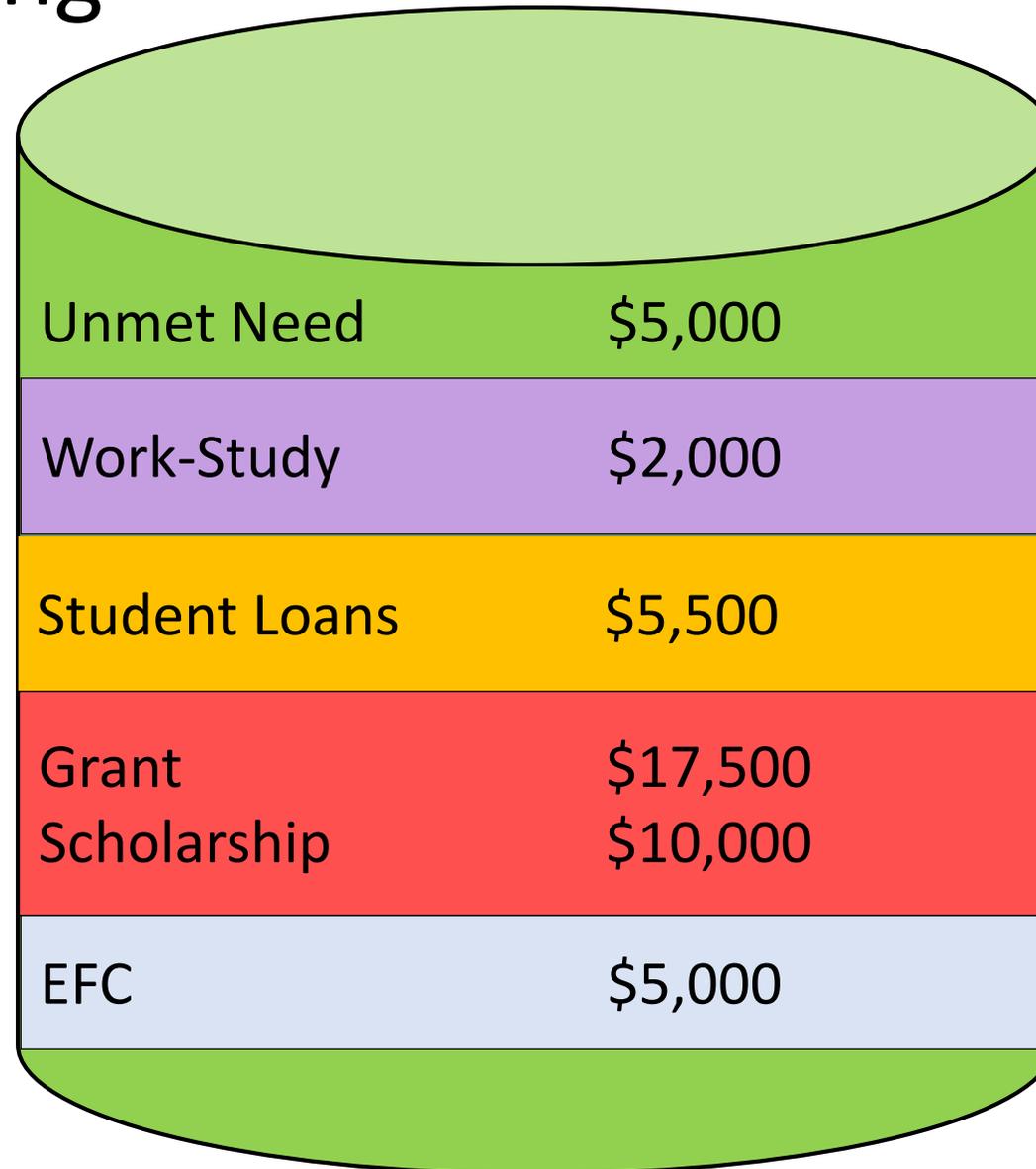
$$= \text{Financial Aid Eligibility}$$

Colleges fill in Financial Aid Eligibility with financial aid from all sources

Financial Aid Awarding

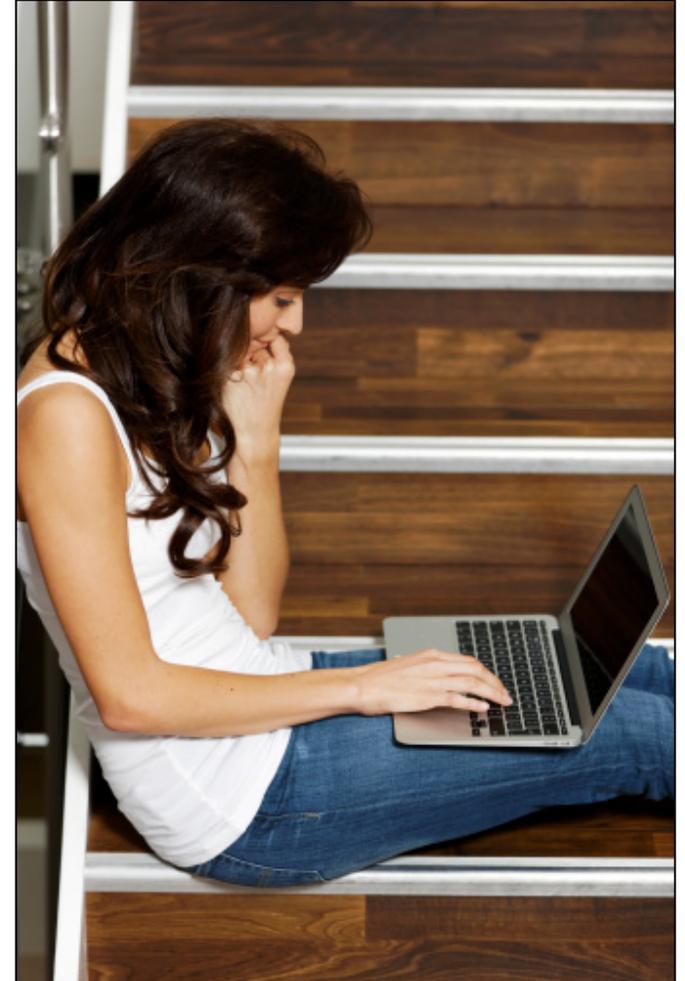
**College COA =
\$45,000**

Unmet need and EFC is the
FAMILY's responsibility



Net Price Calculators

- Online tool found on each institution's website
- Asks questions about family finances & student academics
- Provides personal, estimated net college price
- Displays federal & institutional aid
- Merit-based aid may also be included



Award Letters: Totals Can Vary

COA: \$45,000

EFC: \$5,000

Total Eligibility: \$40,000

	College A	College B	College C
Grants/Scholarships	\$32,500	\$25,500	\$17,500
Student Loans	\$5,500	\$5,500	\$5,500
Work-Study	\$2,000	\$2,000	\$2,000
Total	\$40,000	\$33,000	\$25,000
Unmet Need	\$0	\$7,000	\$15,000

Award Letters: Types Can Vary

COA: \$45,000

EFC: \$5,000

Total Eligibility: \$40,000

	College A	College B	College C
Grants/Scholarships	\$27,500	\$17,500	\$0
Student Loans	\$5,500	\$5,500	\$5,500
Parent Loans	\$0	\$10,000	\$29,500
Work-Study	\$2,000	\$2,000	\$0
Total	\$35,000	\$35,000	\$35,000
Unmet Need	\$5,000	\$5,000	\$5,000

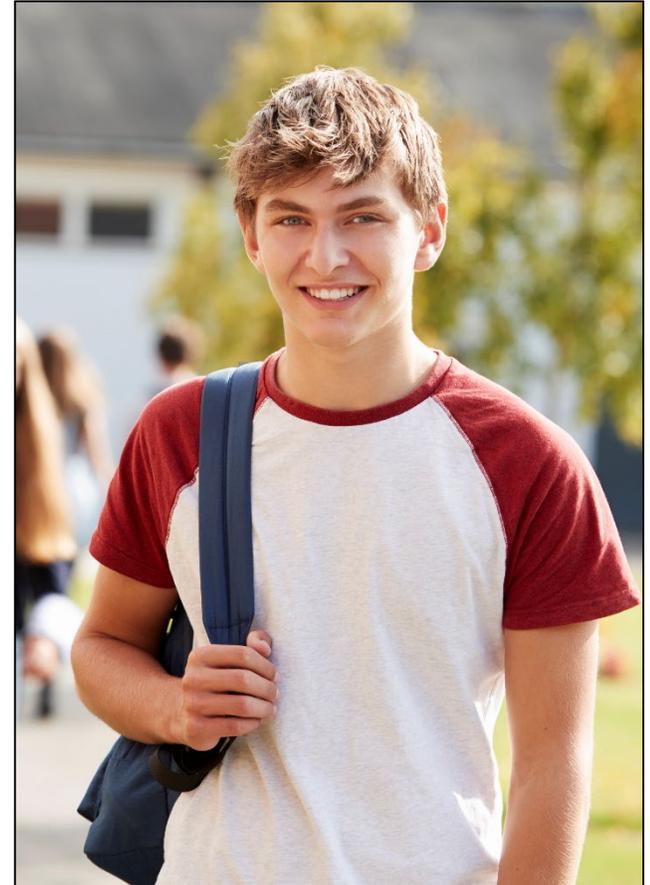
Paying for College

Filling the EFC and Unmet Need: An Example

Balance Due		\$20,000
<i>Past Income (Savings)</i>		
	Student Savings	-\$1,000
	Parent Savings	-\$4,000
<i>Present Income (Current Wages)</i>		
	Parent Contribution to Payment Plan	-\$5,000
<i>Future Income (Borrowing College Loans)</i>		
	Education Loan	-\$10,000
		\$0

Important Kitchen Table Conversations

- Would starting at community college save significant \$?
- Consider the number of children you will send to college
- Think in terms of total enrollment (4+ years) and total debt
- Calculate the post-graduation monthly loan payment
- Research the potential starting salary for the intended career
- Is the student considering graduate school?
- Know your credit score if you plan to borrow a private loan
- Compare each school's net price after financial aid offers are received



Paying for College in MA: You Have Options

MassTransfer

- Makes transfer from community college to a 4-year public MA college more affordable
- Benefits include guaranteed credit transfer, tuition credit, & freeze on tuition
- mass.edu/masstransfer



Tuition Break

- Reduction on out-of-state tuition costs at New England schools for certain programs
- Nebhe.org/programs-overview/rsp-tuitionbreak/overview



Free Resources



National and Community Resources

- FAFSA Day
 - Free assistance completing the FAFSA
 - 7 virtual events Oct-Feb
 - Events in both English and Spanish
 - Register at FAFSADay.org

- Educational Opportunity Centers
 - Free financial aid help
 - MassEdCO.org



What You Can Do Now

- Get an FSA ID for the student and parent
- Research deadlines and required applications
- Register for other webinars at mefa.org/events
- Read financial aid blog posts at mefa.org/blog
- Reference MEFA's *Timeline for College Admissions and Financial Aid* on mefa.org



MEFA Events

We offer free informative webinars and virtual community events on a range of topics. To register for an upcoming webinar, click a topic below. To view a recorded webinar, please view our [MEFA Videos](#) page. And if you're a school counselor or college administrator looking for a webinar, please visit the [MEFA Institute](#).

Connect with MEFA on Social Media



mefa MEFA
February 22 at 5:30 PM · 🌐

After you receive your financial aid award from the colleges to which you have been accepted, you may need to gather some additional information. The following are some important questions to ask.

QUESTIONS TO ASK IN THE FINANCIAL AID PROCESS #FINAID

- 1 What is the college's total cost of attendance?
- 2 What financial aid applications are required and when are they due?
- 3 What are the college's application requirements for divorced or separated parents?
- 4 Does the college offer merit-based scholarships? How do students apply?
- 5 Will my financial aid stay the same every year?

mefa



facebook.com/mefaMA



[@MEFAtweets](https://twitter.com/MEFAtweets)



linkedin.com/company/mefa



youtube.com/MEFAcounselor

Thank You

Questions?

(800) 449-MEFA (6332)

collegeplanning@mefa.org

How was the webinar? We'd love to hear your feedback.
Leave us a Google review at Google.com

