

Understanding Financial Aid Offer Letters and How to Pay the Gap



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Missouri Scholarship & Loan Foundation's Mission

is to provide innovative products and services to help Missouri students, particularly those with insufficient financial resources, to prepare for, enter into and successfully complete higher education at Missouri institutions.

Financial Aid Offers

Financial Aid Offers can look very different. For first time students, it can be a challenge to really understand what is being offered.

- Some common language used:
 - * Cost of Attendance (COA) – Direct Cost + Indirect Cost
 - * Direct Costs - Tuition, fees, and room and board (for on campus students)
 - * Indirect Costs- Books, supplies, equipment, transportation, miscellaneous personal expenses

Financial Aid Offers– Common Language

- * Estimated Family Contribution (EFC)
 - Generated by the FAFSA
 - Measure of the family’s financial strength (ability to pay)
 - Determines eligibility for need-based financial aid
- * Financial Need or Unmet Need
 - COA minus the student’s EFC
- * Gift Aid (FREE MONEY!)
 - Scholarship
 - Grants

Types of Aid

- Federal Government
 - Grants (PELL and FSEOG)
 - Loans (Subsidized, Unsubsidized, Parent PLUS)
 - Student Employment (Federal Work Study)
- State Programs
 - Grants (Access MO, A+, FastTrack)
 - Scholarships (Bright Flight, Dual Credit/Dual Enrollment)
- Colleges and Universities- Institutional Aid
 - Merit
 - Need
- Private Sources
 - Scholarships
 - Local Organizations (Foundations, businesses, churches, civic, and charitable organizations)
 - Private Loan Lenders
- Employers
 - Scholarships
 - Educational benefits

Federal Direct Loan

- Subsidized (need-based) and Unsubsidized
- Student is the borrower
- NOT credit-based
- Fixed interest rate of 4.99% for undergraduate students (July 1, 2022-June 30, 2023; 23-24 determined May 2023)
- 1.057% origination fee deducted from each loan disbursement
- Funds sent each semester to school
- Repayment begins 6 months after graduation or student falls below half-time attendance
- Deferments and Forbearance provisions, as well as numerous repayment options available

Federal Direct Loan

	Direct Subsidized Loan	Direct Unsubsidized Loan
How much can a dependent student borrow?	\$3,500	\$5,500* *Less any borrowing of the Direct Subsidized Loan
Is it based on need?	Yes	No
What is the interest rate?	Fixed 4.99% (for 2022-23) Origination fee: 1.057% deducted from disbursement	Fixed 4.99% (for 2022-23) Origination fee: 1.057% deducted from disbursement
When does repayment begin?	6 months after graduation or below ½ time status	6 months after graduation or below ½ time status
Future Amounts	\$4,500 for SO Year \$5,500 for JR Year \$5,500 for SR Year	\$6,500 for SO year* \$7,500 for JR year* \$7,500 for SR year* *Less any borrowing of the Direct Subsidized Loan

Maximum total Federal Direct Loan is \$5500 for a first year dependent student!

Federal Direct Loan

Keep Track of How Much You Borrow and What Payments Will Be

Initial Amount Borrowed	Number of Payments	Standard Monthly Payment	Estimated Total Repayment
\$11,000	120	\$126.59	\$15,190.60
\$16,000	120	\$184.13	\$22,095.60
\$27,000	120	\$310.72	\$37,286.40
\$40,000	120	\$460.32	\$55,238.40
\$80,000	120	920.64	\$110,476.80

What is the Gap?

The financial gap appears when the school's financial aid package don't equal the cost of attendance (COA). This gap appears as unmet need on a student's financial aid award letter. The gap is the amount the student would need to pay out of pocket outside of the financial aid offered.

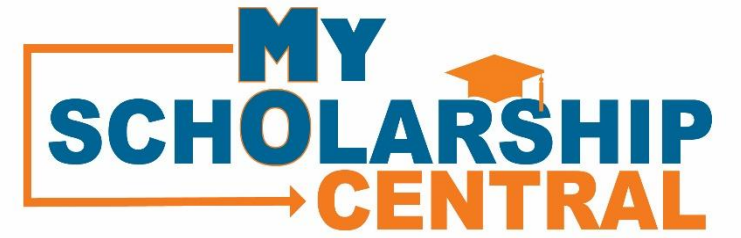
ESTIMATED COST	
TOTAL DIRECT & INDIRECT COST (COA)	\$25,000
TOTAL AID PACKAGE (GIFT AND SELF HELP*)	<u>-\$19,000</u>
FINANCIAL GAP	\$6,000

*Self Help includes work-study and federal loans

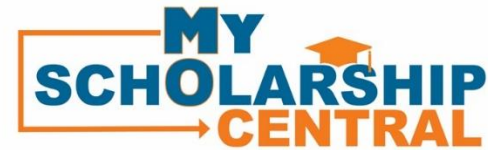
Ways to Fill the Gap

- * Institutional Scholarships (separate application process)
- * Private Scholarships
- * 529 college savings and other savings
- * Tuition payment plans offered by the institution
- * Parent PLUS Loan
- * Private Student Loan

My Scholarship Central



130+ Opportunities



Free for Students

50 Community Organizations

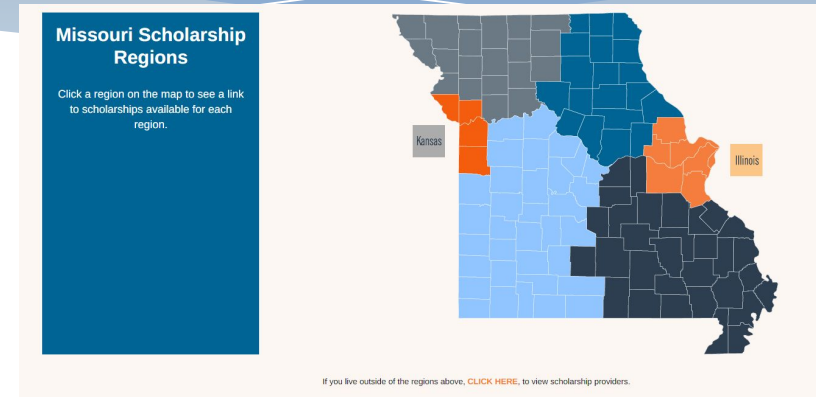


My Scholarship Central Search



www.myscholarshipcentral.org

- Scroll down to the map of Missouri
- Select your region
 - Not sure? Click the map to see the counties in each region
- Click View Scholarship Providers
- See the list of providers in your area and click through to apply directly with them
- Great place to start the scholarship process



Kansas City Metro Region

Greater Kansas City Community Foundation



The Greater Kansas City Community Foundation allows its donors to provide scholarships to students in the Greater Kansas City metropolitan area pursuing either a 2 or 4 year degree, trade program or post-secondary degree. We provide over \$2 million in financial support to students from over 270 different funds. We offer a wide variety of opportunities, and criteria vary from financial need and academic achievement to degree programs and involvement in extracurricular activities.

[Apply Now](#)

STUDENTS SERVED:
High School Seniors, Current College Students
APPLICATION PERIOD:
Early December – March or April

Kansas City Scholars (KC Scholars)



Kansas City Scholars aims to increase postsecondary education attainment by providing the means – through scholarships, financial incentives to promote college savings, and support services – for low- and middle-income students and adults to complete a postsecondary credit-bearing credential or degree. KC Scholars awards scholarships each May 1 – awarding over 1,000 scholarships annually (near \$40 M annually in renewable value), some valued at \$10,000/year and renewable up to 5 total years.

[Apply Now](#)

STUDENTS SERVED:
9th and 10th graders in high school and returning adult learners
APPLICATION PERIOD:
January 1 – Late February

Truman Heartland Community Foundation



Truman Heartland Community Foundation helps donors invest in our community by providing financial support to students following their dreams and working toward a brighter future. THCF awards nearly \$200,000 in scholarships annually to students from Eastern Jackson County or students at local colleges and universities. Scholarships are available for two and four-year undergraduate, graduate, and technical certification programs, including many renewable scholarships.

[Apply Now](#)

STUDENTS SERVED:
Outstanding high school seniors, college students, graduate students, technical certifications, private and parochial school
APPLICATION PERIOD:
Most are open October – February, some have unique deadlines.

My Scholarship Central Application Site

- * Start at [myscholarshipcentral.org /apply](https://myscholarshipcentral.org/apply)
 - * Click the orange Apply Now button
 - * This will take you to the application site
- * Create an account
 - * Use a non-school email so students can access after graduation
- * Complete the general application
 - * Think of this like a student's profile
- * Based on general application answers, a list of recommended scholarships is generated
- * Apply to specific scholarship opportunities
 - * Just completing the general application does not qualify a student

Click the button below to start your application.

Apply Now

The screenshot shows the 'My Scholarship Central' website interface. At the top right, there are 'Sign Up' and 'Sign In' buttons. The main content area is titled 'Our Opportunities' and includes a search bar and a table of scholarship listings. The table has columns for 'Award', 'Name', and 'Actions'. The first row shows a '\$2,500 renewable' award for the 'Redbird Rookies Saigh Scholars Scholarship' with a deadline of '08/26/2022'. Other rows list various other scholarships with their respective amounts and statuses.

Award	Name	Actions
\$2,500 renewable	Redbird Rookies Saigh Scholars Scholarship This opportunity is only for students who were awarded the Redbird...	Deadline 08/26/2022
\$7,000 renewable	The Charles Gallagher Sr. Scholarship The Charles Gallagher Sr. Scholarship is a renewable scholarship that...	Ended
\$1500 per semester, renewable	Soroptimist International of Greater St. Louis Eleanor Bergfeld Scholarship This scholarship was provided by the late Eleanor Bergfeld, a charter...	Ended
\$1,000	Greater North County Chamber of Commerce The Greater North County Chamber of Commerce Scholarship is intended to...	Ended
\$1,000	Ritenour Optimist Club Scholarship (Ritenour High School) Only Ritenour High School students graduating in 2020 will be considered...	Ended
\$1,000, renewable	St. Louis Graduates Scholarship The St. Louis Graduates Scholarship provides a renewable \$1,000...	Ended

National Scholarship Sources

- Big Future by College Board
- Scholarship America
- Cappex
- Fastweb
- FinAid
- Scholarships.com
- Super College
- Niche

Ways to Pay After Scholarships

Try to cut down on the amount borrowed:

- * Cash on hand
- * 529s- most common in Missouri in MOST 529
- * Institution Payment Plan
- * Private/ Parent Loans

Tuition Payment Plans

Terms vary by school

Pros:

- Utilizes current family income and/or college or other savings plans
- Pay tuition in manageable monthly payments using household income
- May provide an interest free funding option

Cons:

- Some plans have fees or other charges
- May incur penalties for late payments

Note: Families must understand that a semester balance must be paid before the student can register for the next semester. Unpaid balances become back balances.

Federal PLUS Loan/Private Student Loans

	Federal Parent Loan (PLUS)	Private Loan
Who is the borrower?	Parent	Student/Parent/Other
What is the interest rate?	7.54% fixed AY22/23	Variable & Fixed Varies by lender. Tied to Libor and Prime.
Is there an origination fee?	4.228% Disbursed prior to October 1, 2023	Typically 0% Varies by lender
When is the loan repaid?	60 days after disbursement Options may be available to defer payments	Typically 6 months after graduation or enrolled less-than half-time Varies by lender
How much can I borrow?	Up to the cost of attendance minus other aid received	Up to the cost of attendance minus other aid received Aggregate limits may apply
Do I need a co-signer?	No	Possibly, but not always
Is the loan based on credit?	Yes If denied, the student is awarded \$4,000 Unsubsidized Loan	Yes

College Cost Comparison Sheet



FAFSA Frenzy

MISSOURI DEPARTMENT OF HIGHER EDUCATION

College cost comparison worksheet – It's important to compare costs when choosing the right college for your future. Use this chart to compare tuition rates, fees and your financial aid offers before making a final decision

? Hover over the question marks for more information

	School 1	School 2	School 3	School 4
School name				
? Federal school code				
? FAFSA deadline				
? Estimated cost of attendance (COA)				
Tuition and fees				
Room and board				
Books and supplies				
Transportation				
Miscellaneous/personal				
Additional costs				
Total cost of attendance	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Review MU Offer Together!

ESTIMATED COST OF ATTENDANCE [THIS IS NOT A BILL]	2023 Fall Semester	2024 Spring Semester	Academic Year Total
Direct Costs			
Food	\$1,925.00	\$1,925.00	\$3,850.00
Housing	\$4,850.00	\$4,850.00	\$9,700.00
Tuition	\$7,400.00	\$7,400.00	\$14,800.00
Mandatory Fees	\$497.00	\$497.00	\$994.00
Indirect Costs			
Books and Supplies	\$475.00	\$475.00	\$950.00
Miscellaneous/Personal	\$956.00	\$956.00	\$1,912.00
Loan Fees	\$66.00	\$66.00	\$132.00
Transportation	\$799.00	\$799.00	\$1,598.00
Total	\$16,968.00	\$16,968.00	\$33,936.00
ESTIMATED FINANCIAL AID OFFER(S)			
<i>Grants and Scholarships (does not require repayment and each program may have specific renewal criteria)</i>			
Excellence Award	\$1,750.00	\$1,750.00	\$3,500.00
Federal Pell Grant	\$1,673.00	\$1,672.00	\$3,345.00
Estm Access Missouri Grant	\$1,425.00	\$1,425.00	\$2,850.00
FS Missouri Land Grant	\$2,552.00	\$0.00	\$2,552.00
SP Missouri Land Grant	\$0.00	\$2,553.00	\$2,553.00
Total	\$7,400.00	\$7,400.00	\$14,800.00
ESTIMATED COST AFTER GRANTS AND SCHOLARSHIPS	\$9,568.00	\$9,568.00	\$19,136.00

Questions?

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