

# Financial Aid 101

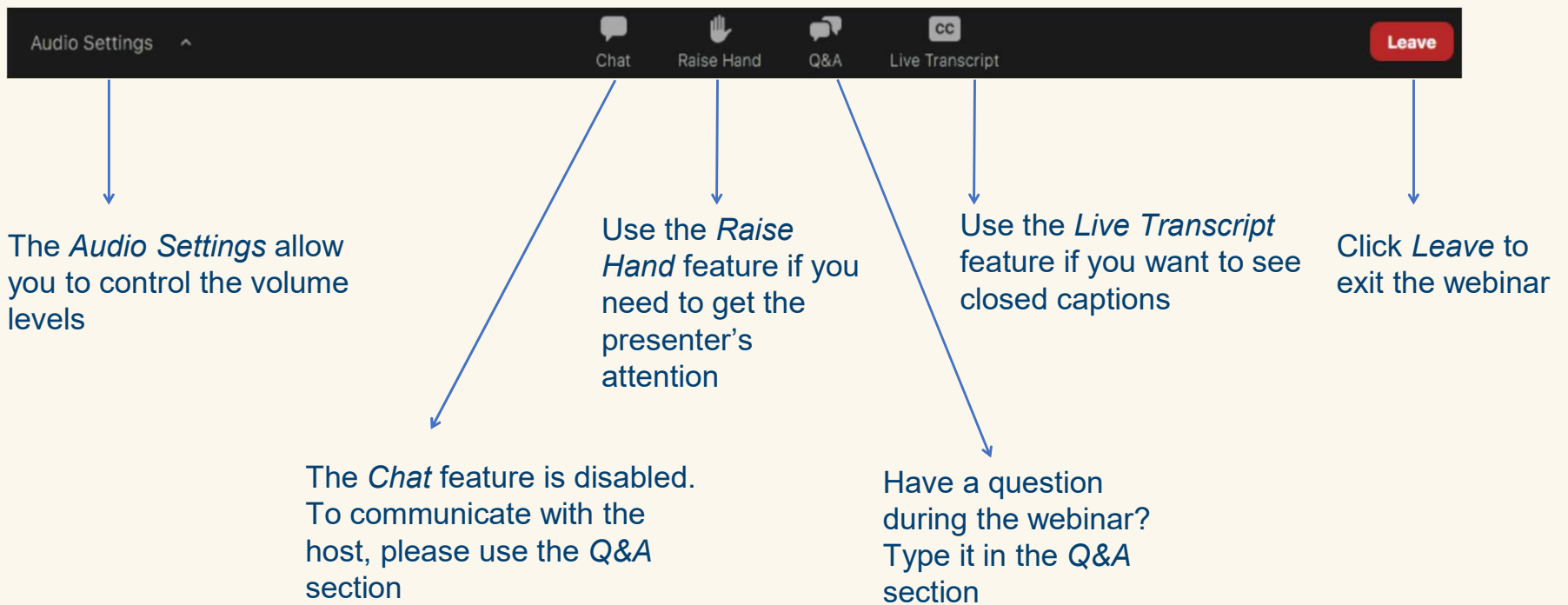
Scan the QR code to sign up for MEFA emails on relevant college planning topics

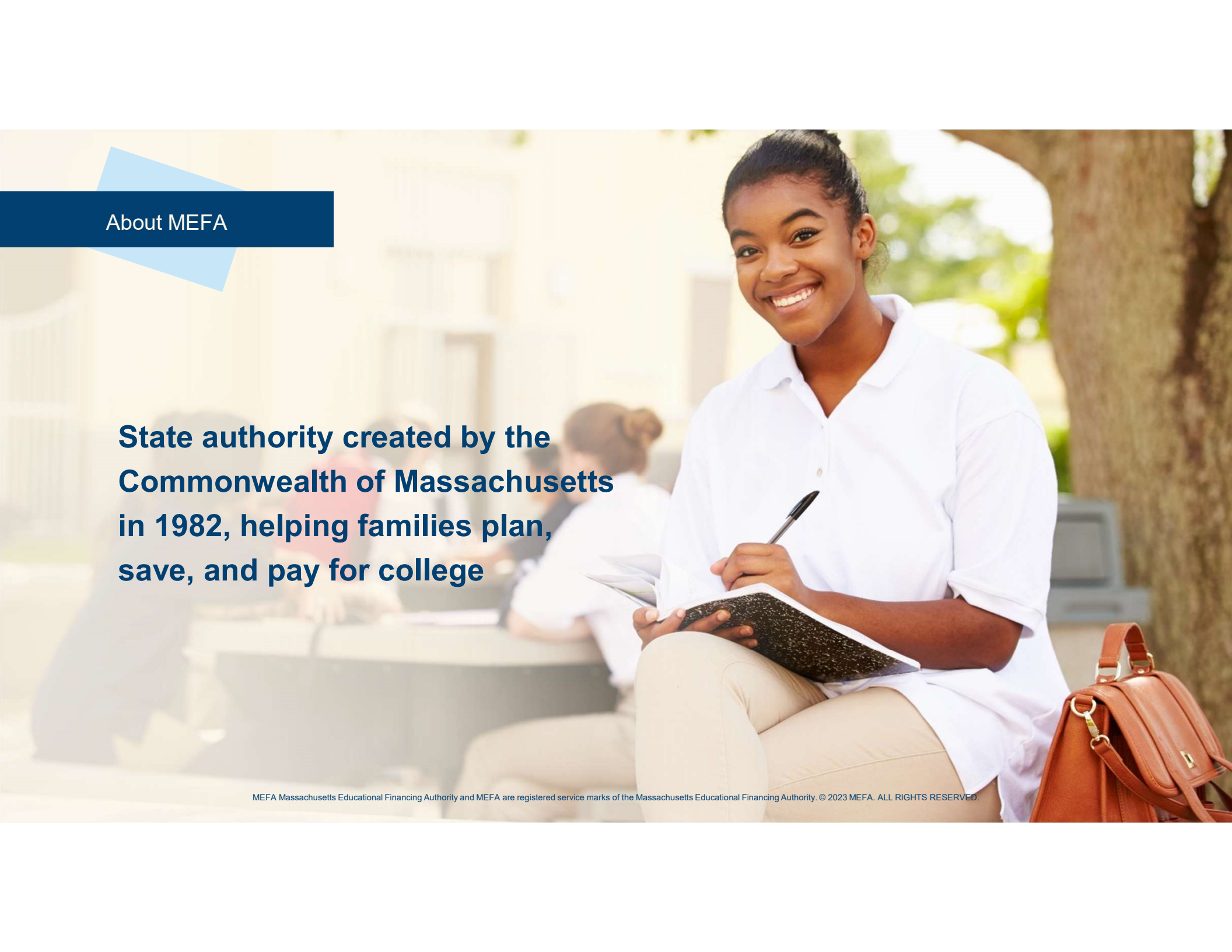


-  [facebook.com/mefaMA](https://facebook.com/mefaMA)
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-  [youtube.com/MEFAcounselor](https://youtube.com/MEFAcounselor)
-  [mefa.org/mefa-podcast](https://mefa.org/mefa-podcast)

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## How to Participate



A young woman with dark hair tied back, wearing a white polo shirt and light-colored pants, is sitting outdoors on a bench. She is smiling at the camera while holding a black notebook and a pen. A brown leather bag is on the ground next to her. In the background, other people are sitting at tables, and there are trees and a building.

About MEFA

**State authority created by the  
Commonwealth of Massachusetts  
in 1982, helping families plan,  
save, and pay for college**

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## Webinar Topics

- Types & Sources of Financial Aid
- The Application Process
- How Financial Aid Decisions Are Made
- Paying for College
- Free Resources



# TYPES AND SOURCES OF FINANCIAL AID

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## 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

## Federal Direct Student Loans

- Student is the sole borrower
- No credit check
- Subsidized and Unsubsidized
- 5.5% fixed interest rate for 2023-24
- 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 |

## 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](https://mass.edu/osfa)

### College/University (institutional aid)

- Grants, scholarships, loans

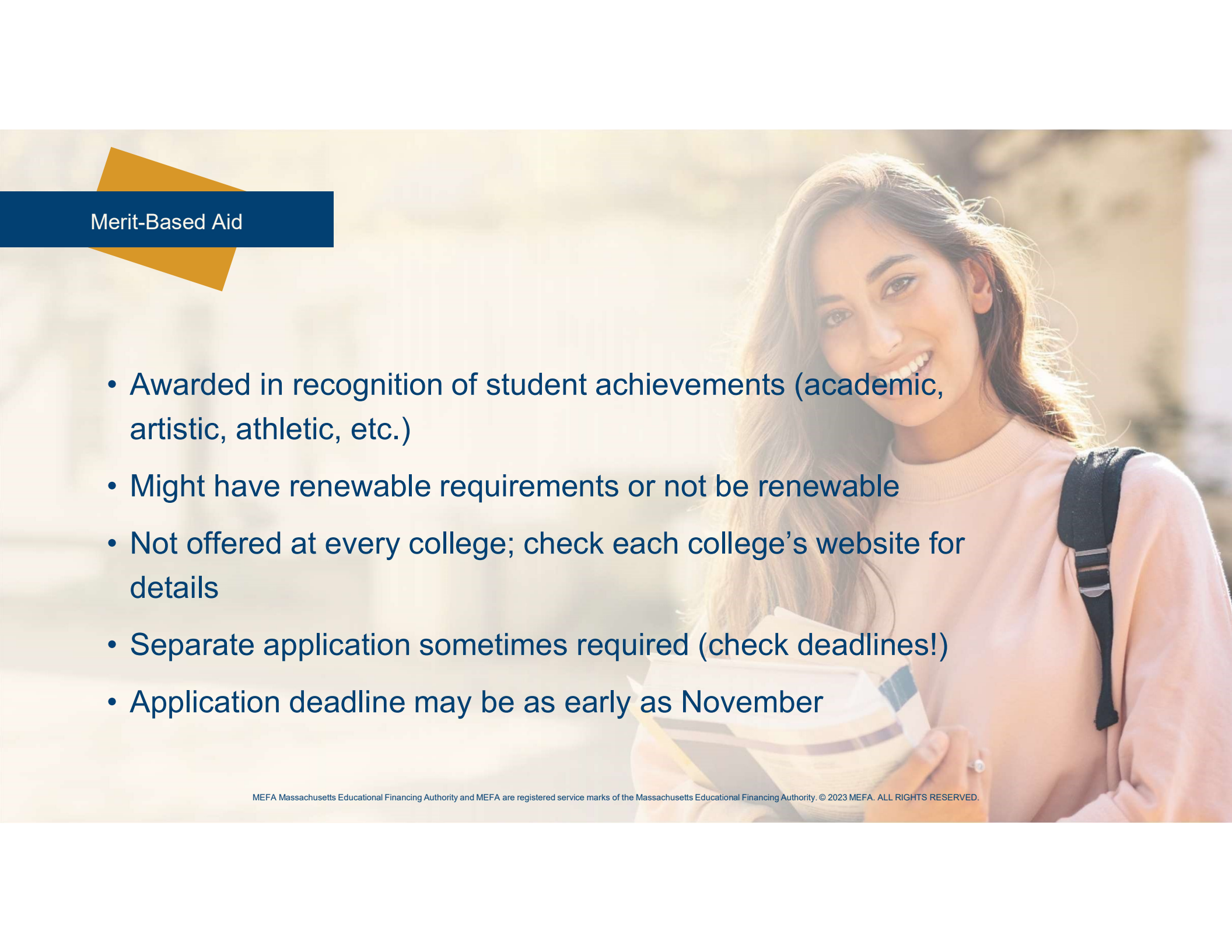
### Other Agencies

- Scholarships: Search through [mefapathway.org](https://mefapathway.org) and [fastweb.com](https://fastweb.com), and check with your school counselor

**\$174.4 billion\*: The total amount of aid students received in 2021-22**

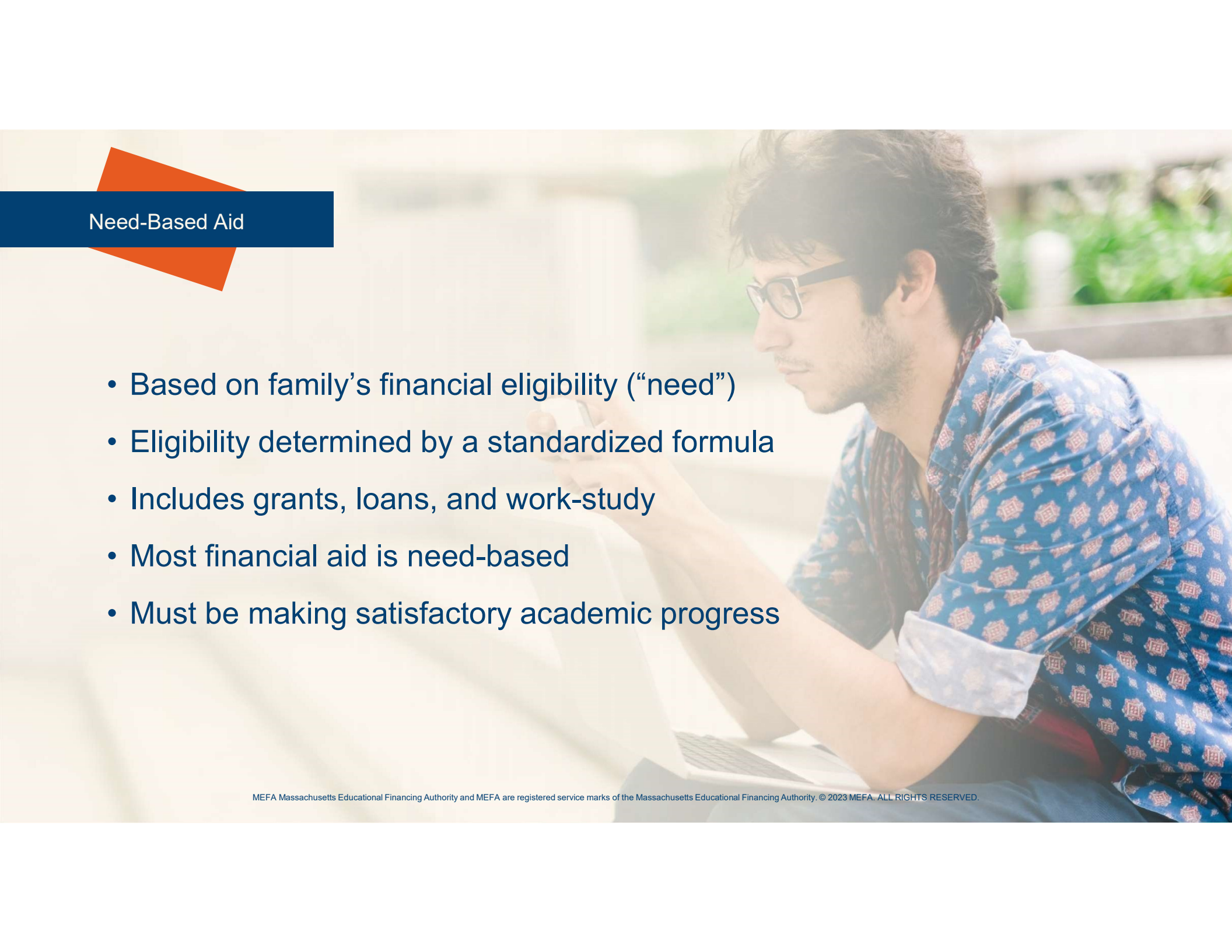
\*Trends in Student Aid 2022, The College Board

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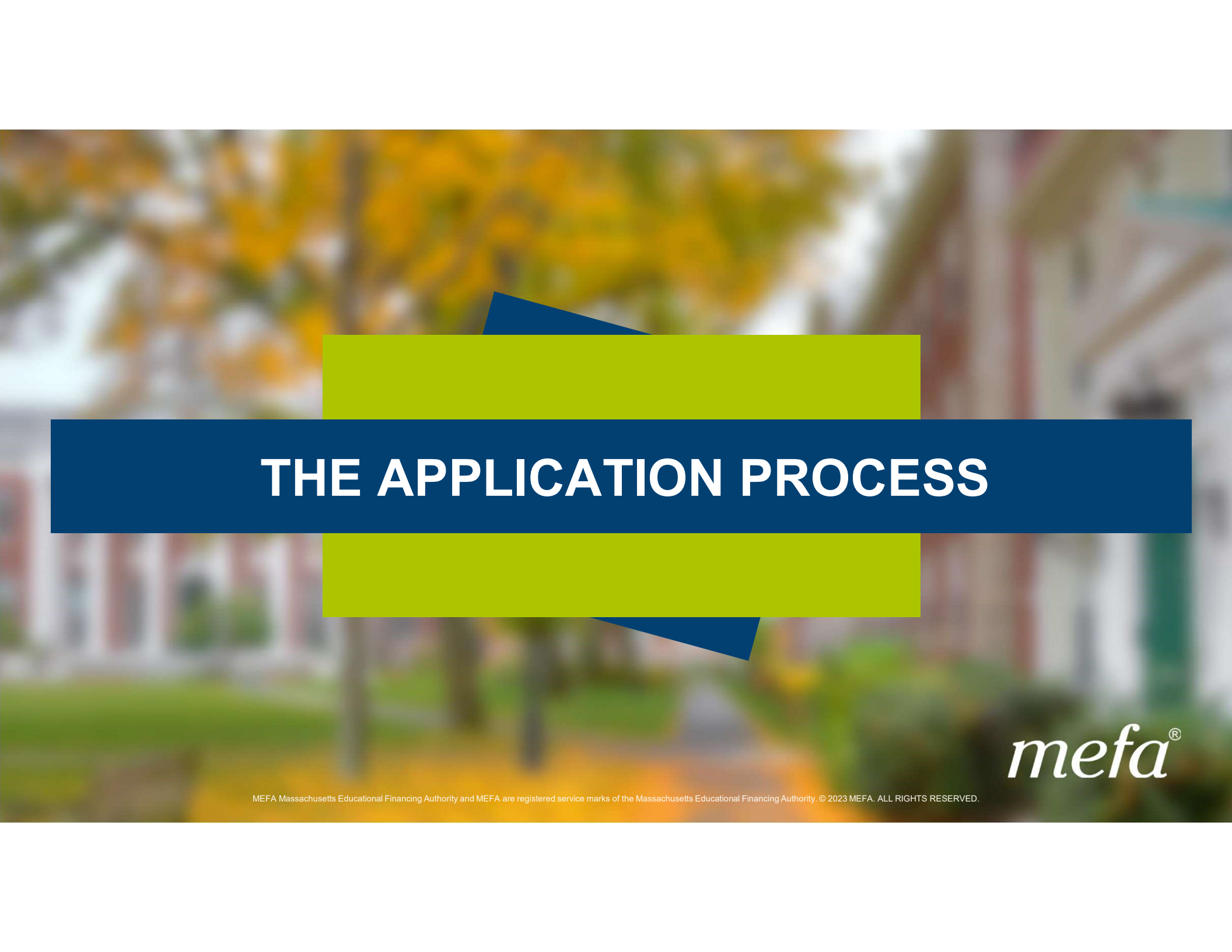
## Merit-Based Aid

- 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

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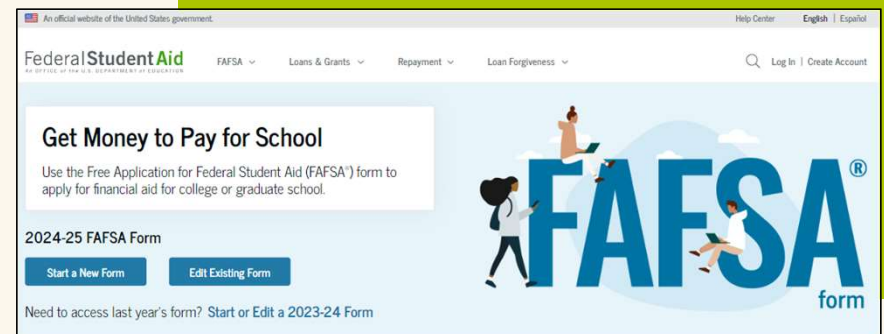
A background image showing a young woman with dark hair, wearing a white sweater with a grey and red pattern, looking down at a tablet computer. She is in a classroom setting with other students blurred in the background. A dark blue banner with an orange triangle is in the top left corner.

## Financial Aid Timeline

- Check deadlines and required applications on each college's website now
- Early Action/Decision deadlines are often in Oct or Nov
- Standard deadlines are typically in Feb or March
- MEET APPLICATION DEADLINES!
- Use MEFA's College Application Manager to stay organized
  - [mefa.org/college-application-manager](https://mefa.org/college-application-manager)

## FAFSA®

- Free Application for Federal Student Aid (FAFSA)
- Required by all colleges & must complete **every year**
- Available at [fafsa.gov](https://fafsa.gov) in Dec this year (usually Oct 1<sup>st</sup>)
- Contributor = person whose information appears on the FAFSA
- Best if student starts and then invites all other contributors
- Each contributor has a separate section
- Last contributor to complete can submit the FAFSA
- Incomplete FAFSAs are deleted after 45 days (!); reminders are sent every 7 days



## FSA ID

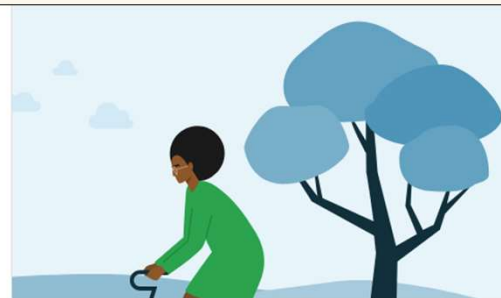
- FSA ID = username and password
- Must have an FSA ID to log in
- Set up your FSA ID now (must wait 2-4 days to start the FAFSA)
- Must have an email address
- Who needs an FSA ID?
  - Student
  - Student's spouse if filed taxes separately or didn't file
  - Every parent listed on the FAFSA
    - If parents filed taxes jointly, only one parent needs one
- Those without an SSN will answer knowledge-based questions pulled from on credit history

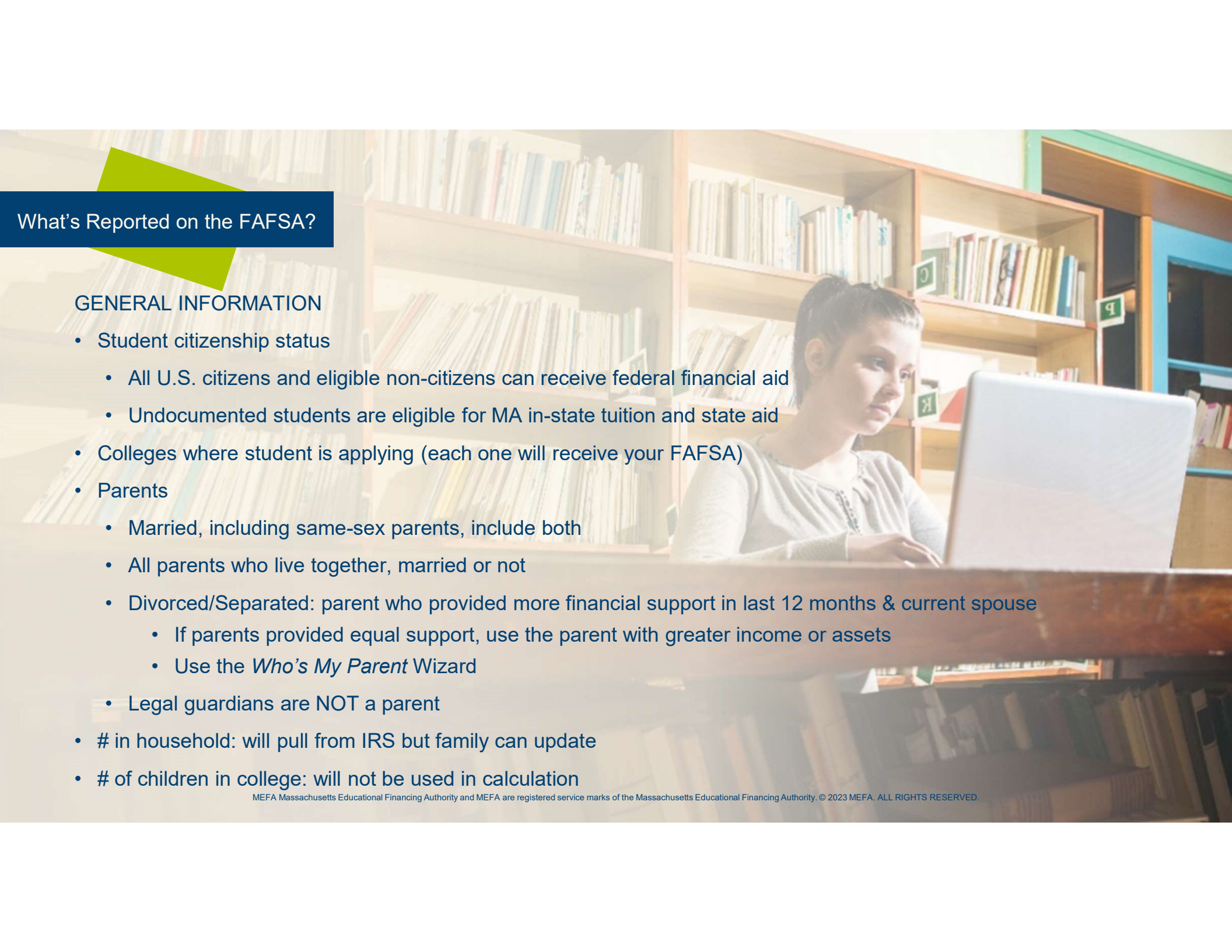
### Create an Account

Whether you're a student, parent, or borrower, you'll need to create your own account to manage the student loan journey.

[Get Started](#)

Already have an account? [Log In](#)

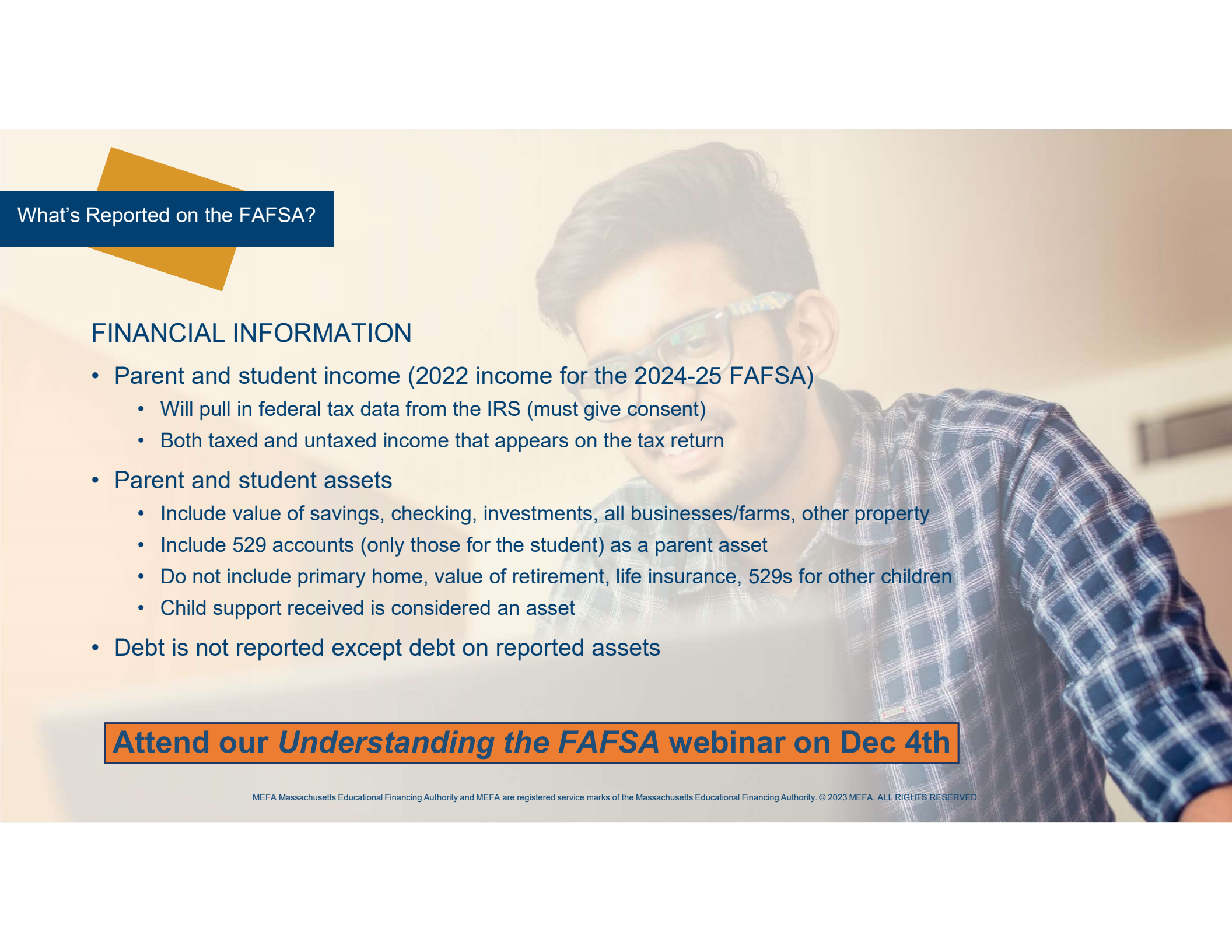


A young woman with dark hair tied back is sitting at a wooden desk in a library, looking at a laptop. Behind her are tall wooden bookshelves filled with books. A green geometric shape is in the top left corner.

## What's Reported on the FAFSA?

### GENERAL INFORMATION

- Student citizenship status
  - All U.S. citizens and eligible non-citizens can receive federal financial aid
  - Undocumented students are eligible for MA in-state tuition and state aid
- Colleges where student is applying (each one will receive your FAFSA)
- Parents
  - Married, including same-sex parents, include both
  - All parents who live together, married or not
  - Divorced/Separated: parent who provided more financial support in last 12 months & current spouse
    - If parents provided equal support, use the parent with greater income or assets
    - Use the *Who's My Parent Wizard*
  - Legal guardians are NOT a parent
- # in household: will pull from IRS but family can update
- # of children in college: will not be used in calculation



## What's Reported on the FAFSA?

### FINANCIAL INFORMATION

- Parent and student income (2022 income for the 2024-25 FAFSA)
  - Will pull in federal tax data from the IRS (must give consent)
  - Both taxed and untaxed income that appears on the tax return
- Parent and student assets
  - Include value of savings, checking, investments, all businesses/farms, other property
  - Include 529 accounts (only those for the student) as a parent asset
  - Do not include primary home, value of retirement, life insurance, 529s for other children
  - Child support received is considered an asset
- Debt is not reported except debt on reported assets

**Attend our *Understanding the FAFSA* webinar on Dec 4th**

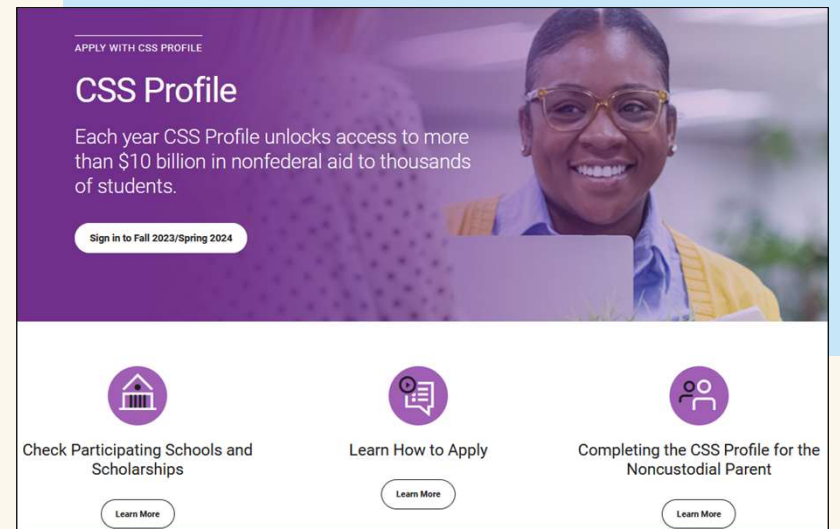
## Other Financial Aid Applications

### CSS Profile™

- [cssprofile.org](https://cssprofile.org)
- Required by some colleges and universities for institutional aid
- \$25 for 1st school, \$16 for each additional
- Fee waivers if parent income is \$100k or less or family meets certain other criteria
- Becomes available October 1st
- Noncustodial parent submits a separate profile
- *What to Know About the CSS Profile* webinar

### College Financial Aid Application

- Required by some colleges and universities



The screenshot shows the CSS Profile website. The top banner features a purple background with a photo of a smiling young woman with glasses. Text on the banner includes "APPLY WITH CSS PROFILE", "CSS Profile", and "Each year CSS Profile unlocks access to more than \$10 billion in nonfederal aid to thousands of students." Below the banner, there is a navigation section with three icons and corresponding text: a building icon for "Check Participating Schools and Scholarships", a speech bubble icon for "Learn How to Apply", and a person icon for "Completing the CSS Profile for the Noncustodial Parent". Each text item has a "Learn More" button below it.

APPLY WITH CSS PROFILE

## CSS Profile

Each year CSS Profile unlocks access to more than \$10 billion in nonfederal aid to thousands of students.

Sign in to Fall 2023/Spring 2024



Check Participating Schools and Scholarships

Learn More



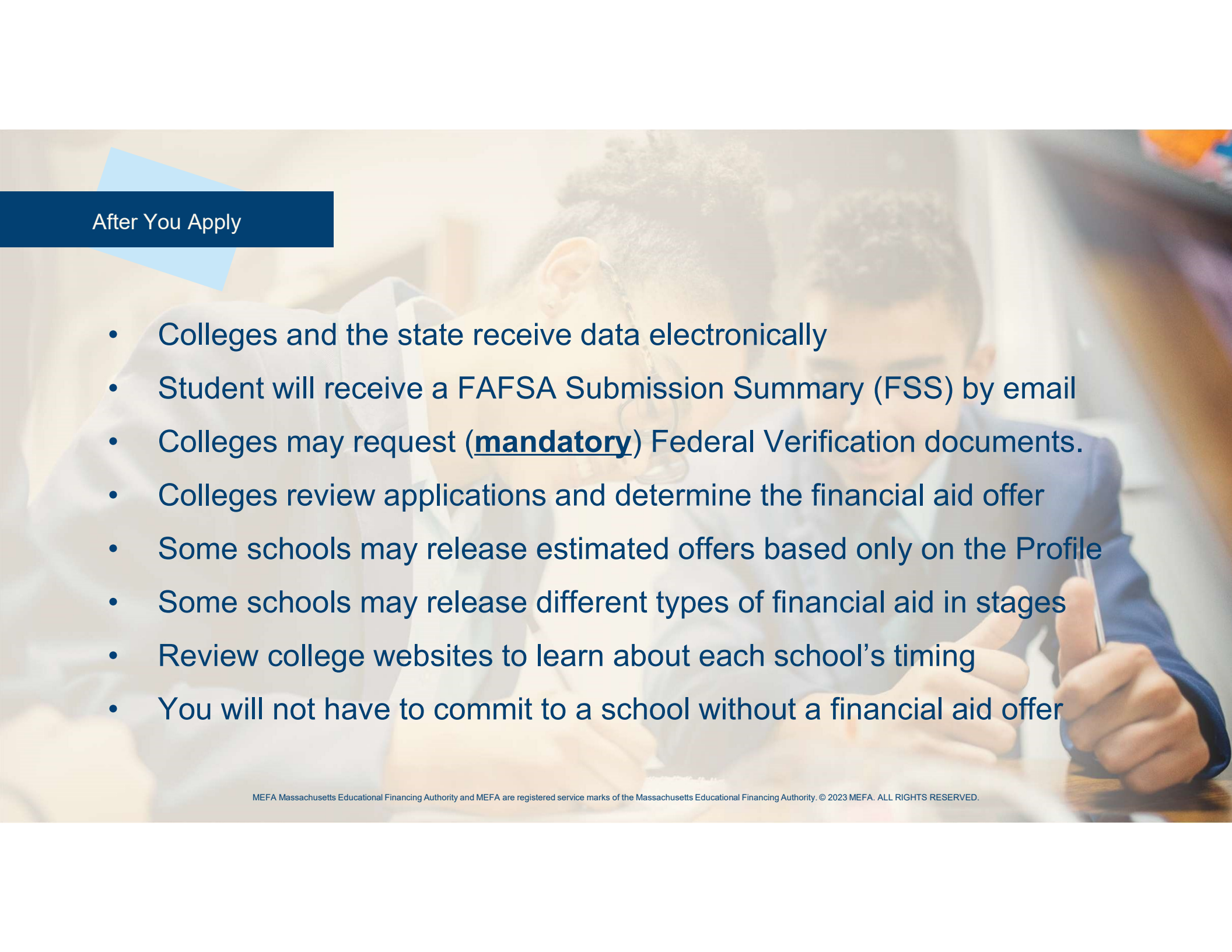
Learn How to Apply

Learn More



Completing the CSS Profile for the Noncustodial Parent

Learn More



## After You Apply

- Colleges and the state receive data electronically
- Student will receive a FAFSA Submission Summary (FSS) by email
- Colleges may request (**mandatory**) Federal Verification documents.
- Colleges review applications and determine the financial aid offer
- Some schools may release estimated offers based only on the Profile
- Some schools may release different types of financial aid in stages
- Review college websites to learn about each school's timing
- You will not have to commit to a school without a financial aid offer

## 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 Transcript
  - Verification Worksheet
  - Asset Account Statements
- Review all correspondence from colleges
- Log into college web portal for communications
- Create a family email address for the financial aid process so no requests are overlooked





## Financial Aid Office

|                                         |                                                                                                                                                                               |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Learn About Your Financial Aid          | <ul style="list-style-type: none"><li>• Financial aid renewability criteria (financial, academic)</li><li>• How will a private scholarship affect my financial aid?</li></ul> |
| Ask About Special Considerations        | <ul style="list-style-type: none"><li>• Changes in family circumstances</li><li>• Can I appeal my offer? How?</li></ul>                                                       |
| How to Contact the Financial Aid Office | <ul style="list-style-type: none"><li>• Phone call</li><li>• Email</li><li>• Chat (if offered)</li></ul>                                                                      |



# HOW FINANCIAL AID DECISIONS ARE MADE

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## Cost of Attendance (COA)

COA = Total Expenses for  
One Year of College



= Billed or Direct Expenses



= Non-Billed or Indirect Expenses

Tuition & Fees

+

Food & Housing

+

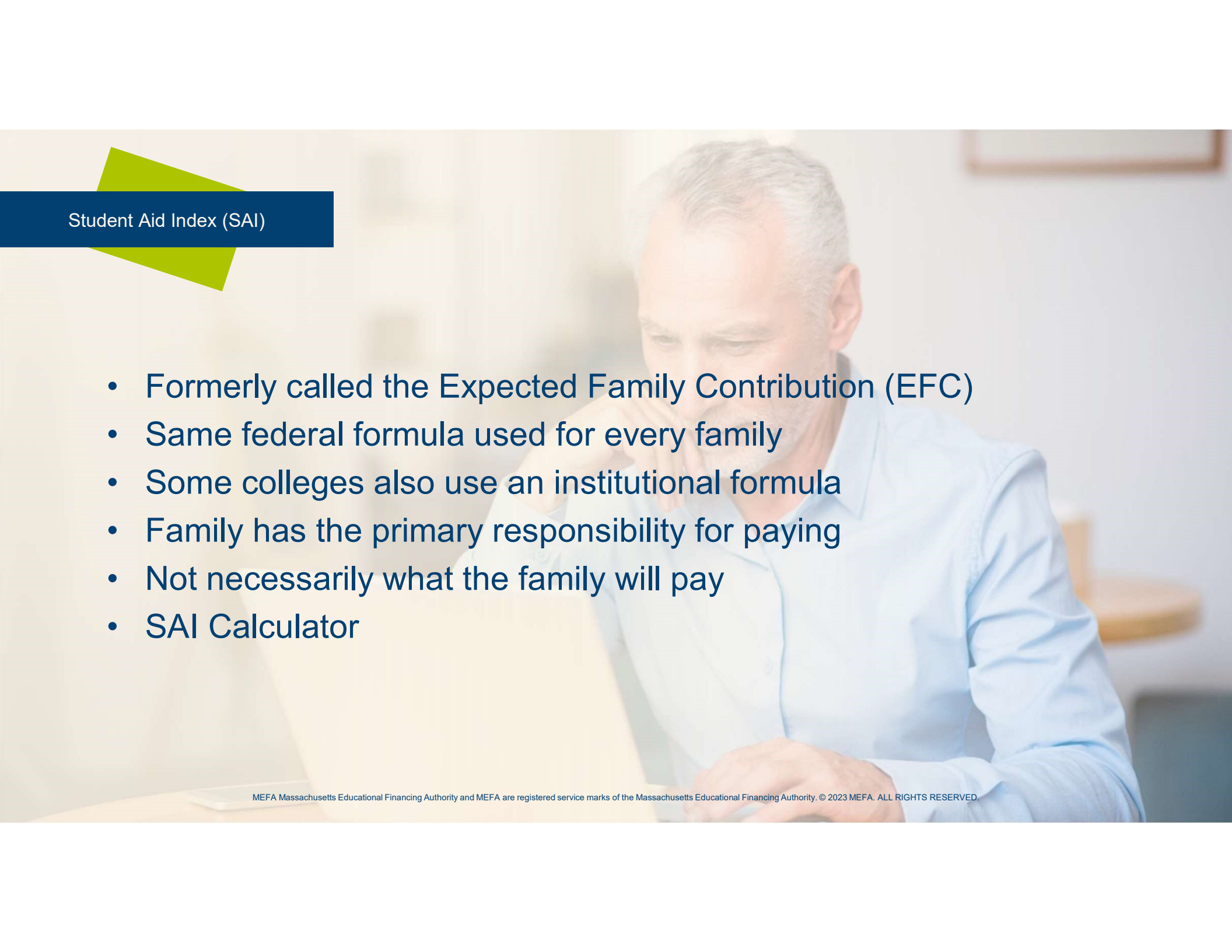
Books & Supplies

+

Transportation

+

Personal Expenses



## Student Aid Index (SAI)

- Formerly called the Expected Family Contribution (EFC)
- Same federal formula used for every family
- Some colleges also use an institutional formula
- Family has the primary responsibility for paying
- Not necessarily what the family will pay
- SAI Calculator

## Financial Aid Formula

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

Cost of Attendance (COA)

-

Student Aid Index (SAI)\*

=

Financial Aid Eligibility

\*Note that a negative SAI is treated as zero in this formula

## Financial Aid Awarding

College  
Cost of Attendance  
**\$45,000**

Unmet need and SAI  
are the FAMILY's  
responsibility

Unmet Need

\$5,000

Work-Study

\$2,000

Student Loans

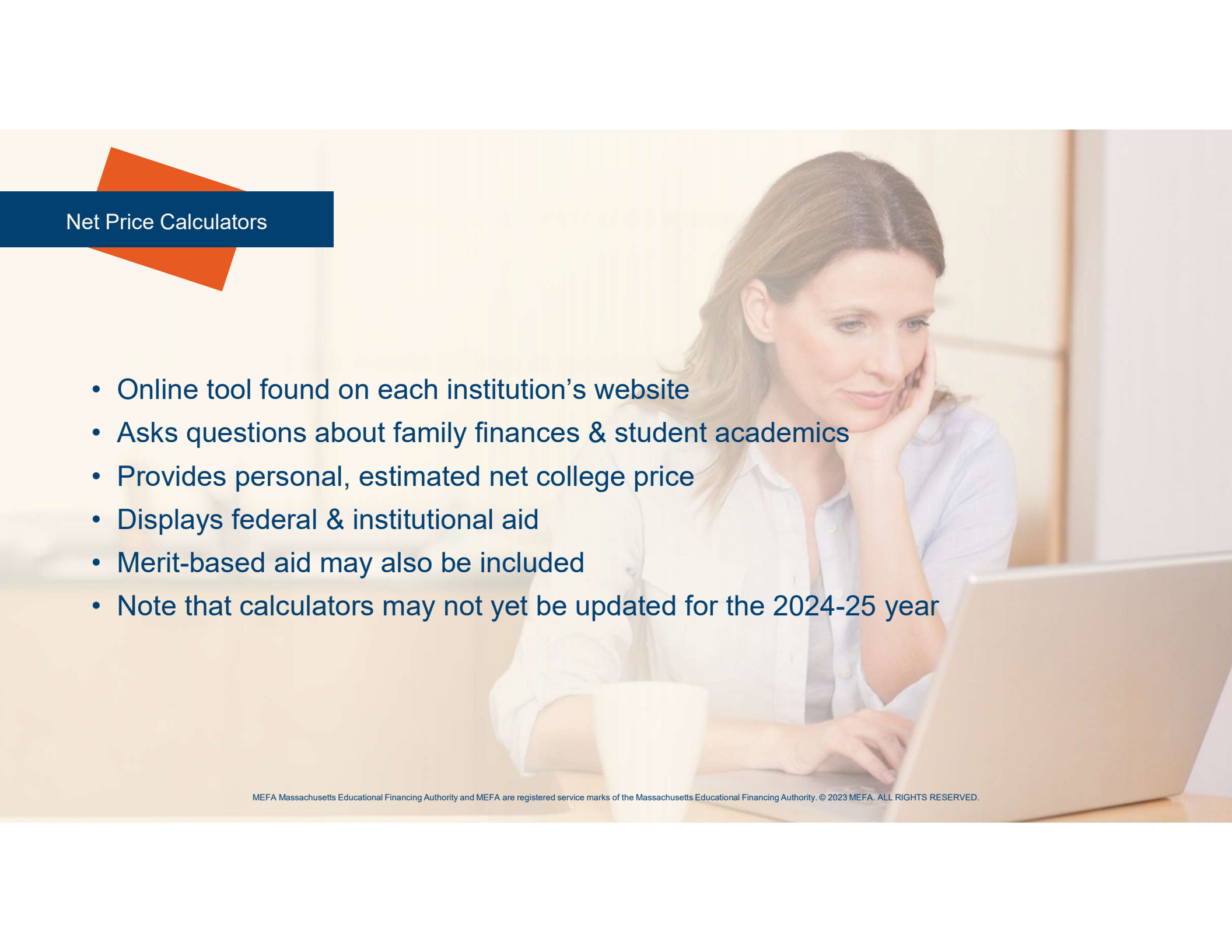
\$5,500

Grant  
Scholarship

\$17,500  
\$10,000

SAI

\$5,000



## 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
- Note that calculators may not yet be updated for the 2024-25 year

Offer Letters: Totals Can Vary

College  
Cost of Attendance

\$45,000

Student Aid Index  
(SAI)

\$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  |

## Offer Letters: Types Can Vary

College  
Cost of Attendance

**\$45,000**

Student Aid Index  
(SAI)

**\$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

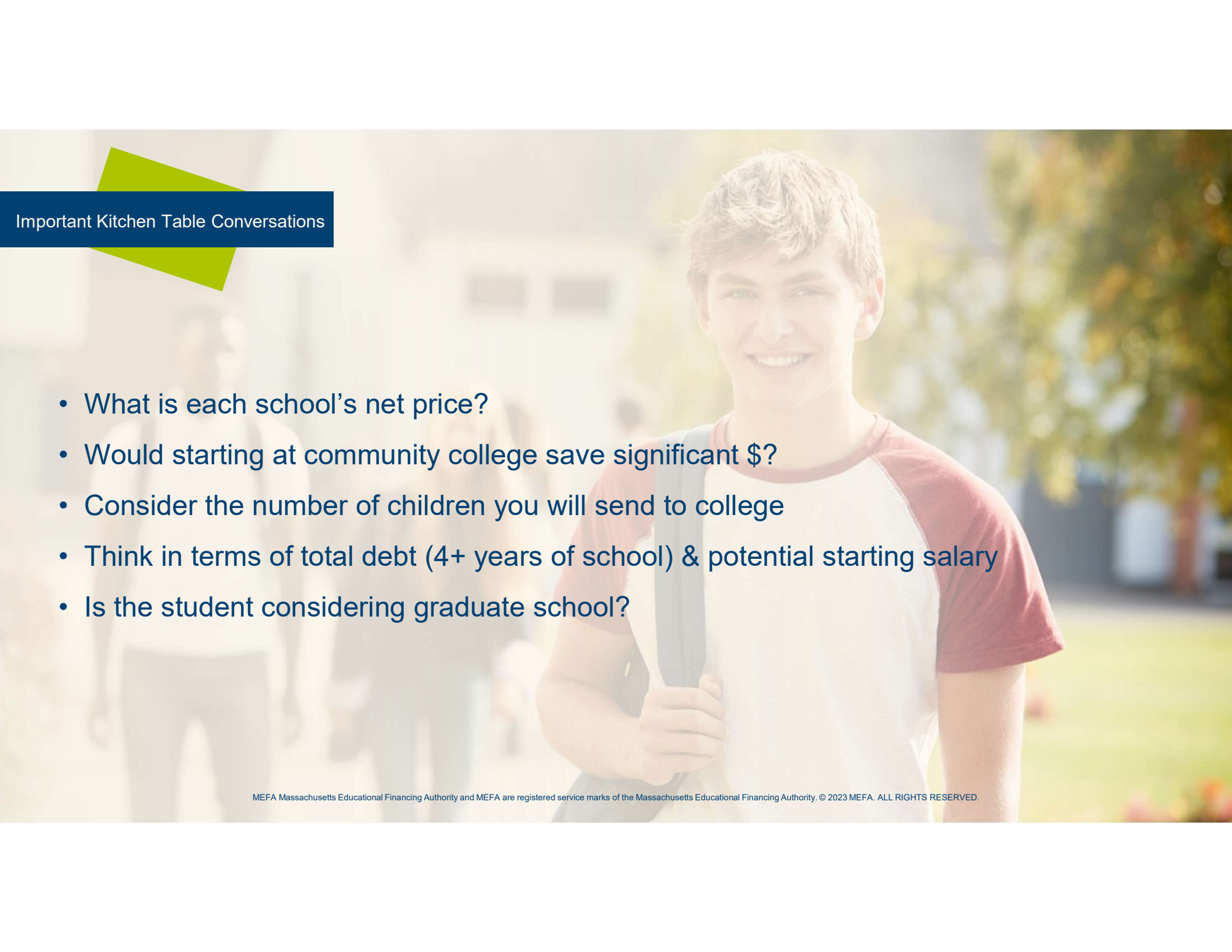
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## Filling SAI and Unmet Need

Balance Due: \$20,000

| Past Income (Savings)                   |           |
|-----------------------------------------|-----------|
| Student Savings                         | -\$1,000  |
| Parent Savings                          | -\$4,000  |
| Present Income (Current Wages)          |           |
| Parent Contribution to Payment Plan     | -\$5,000  |
| Future Income (Borrowing College Loans) |           |
| Education Loan                          | -\$10,000 |
|                                         | \$0       |



## Important Kitchen Table Conversations

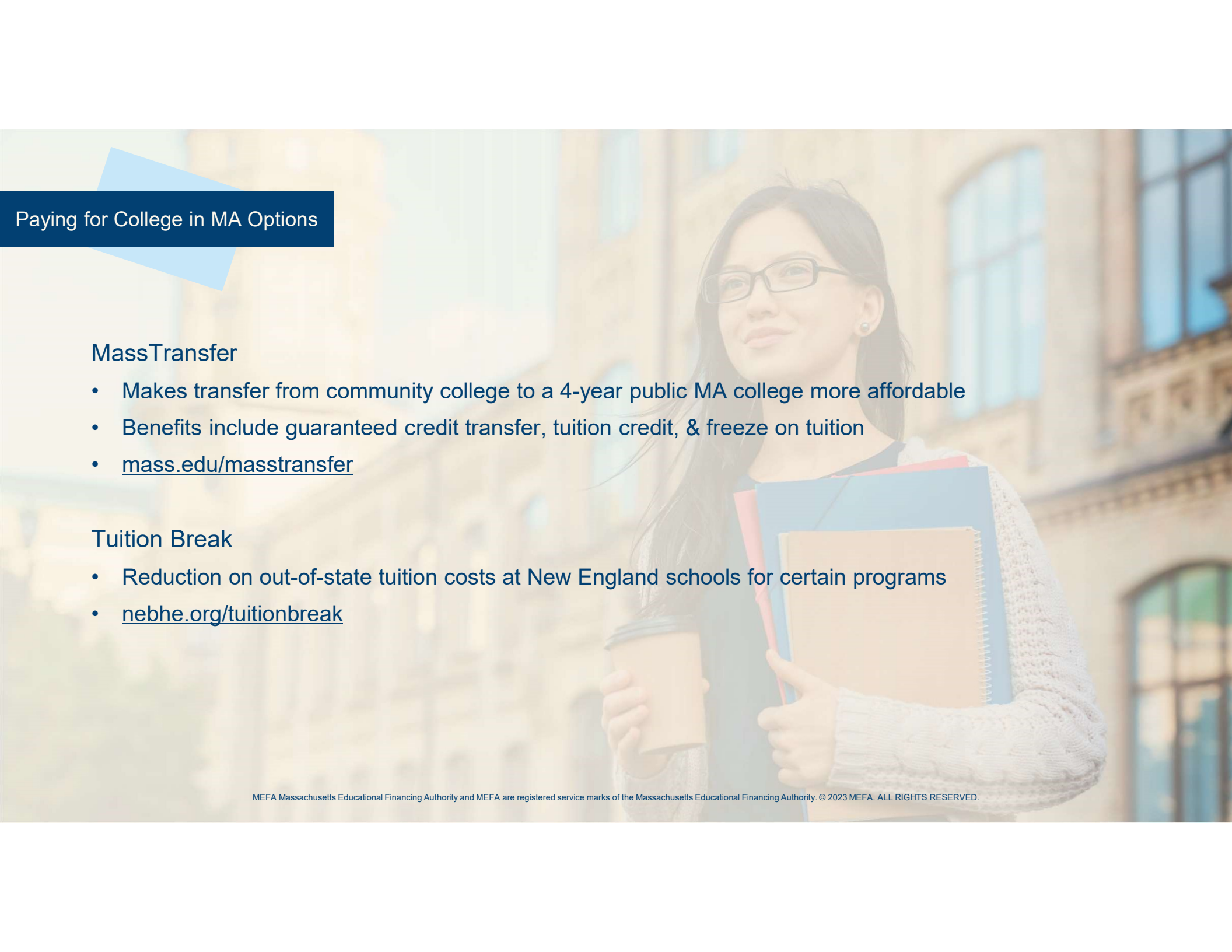
- What is each school's net price?
- Would starting at community college save significant \$?
- Consider the number of children you will send to college
- Think in terms of total debt (4+ years of school) & potential starting salary
- Is the student considering graduate school?

## MA State Financial Aid

- States have different instructions for listing colleges on the FAFSA: [studentaid.gov/apply-for-aid/fafsa/filling-out/school-list](https://studentaid.gov/apply-for-aid/fafsa/filling-out/school-list)
- To apply for MA state financial aid, complete the FAFSA by May 1
- In MA, students who submit the FAFSA will receive an email or text from the MA Office of Student Financial Assistance (OSFA) inviting them to log in to the MASSAid Portal to:
  - Access and track state financial aid (NOTE: there may be none)
  - Use the College Cost and Financial Aid Eligibility information tool
- In MA, state financial aid is directed to the school listed first on the FAFSA. However, once students create a MASSAid user account, they can indicate the school they will attend to receive their state aid there

The screenshot displays the MASSAid Portal interface. At the top, the header includes the MASSAid logo and the text "Massachusetts Department of Higher Education Office of Student Financial Assistance". A left sidebar contains navigation links: My Home, My MASSGrant, My Forms, Grant/Scholarship Online Applications, Email OSFA, Account Management, College Cost and Financial Aid Eligibility Information, and Logout. The main content area is titled "College Cost and Financial Aid Eligibility Information" and features a "Click Here" link to learn more about college costs and state financial aid programs. Below this, a list of bullet points provides information on viewing college costs, expected family contribution (EFC), and federal/state financial aid. A "Welcome Bobby!" section on the left contains fields for Name, Address, Email, Phone, and Cell Phone, with an "Update Student Info" button. On the right, a "My MASSGrant" section shows the current year as "Year 2023 to 2024" and displays an "Award Status" message: "Good news! Based on your interest in attending UNIVERSITY OF MASSACHUSETTS-AMHERST for the 2023-2024 school year, you are eligible for a MASSGrant award. (Select a different institution to see your MASSGrant eligibility there)." Below this message is a table with columns for Term, Amount, Status, and Paid Date.

| Term   | Amount   | Status         | Paid Date |
|--------|----------|----------------|-----------|
| Fall   | \$600.00 | ReadyToCertify | Pending   |
| Spring | \$600.00 | ReadyToCertify | Pending   |



## Paying for College in MA 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](https://mass.edu/masstransfer)

### Tuition Break

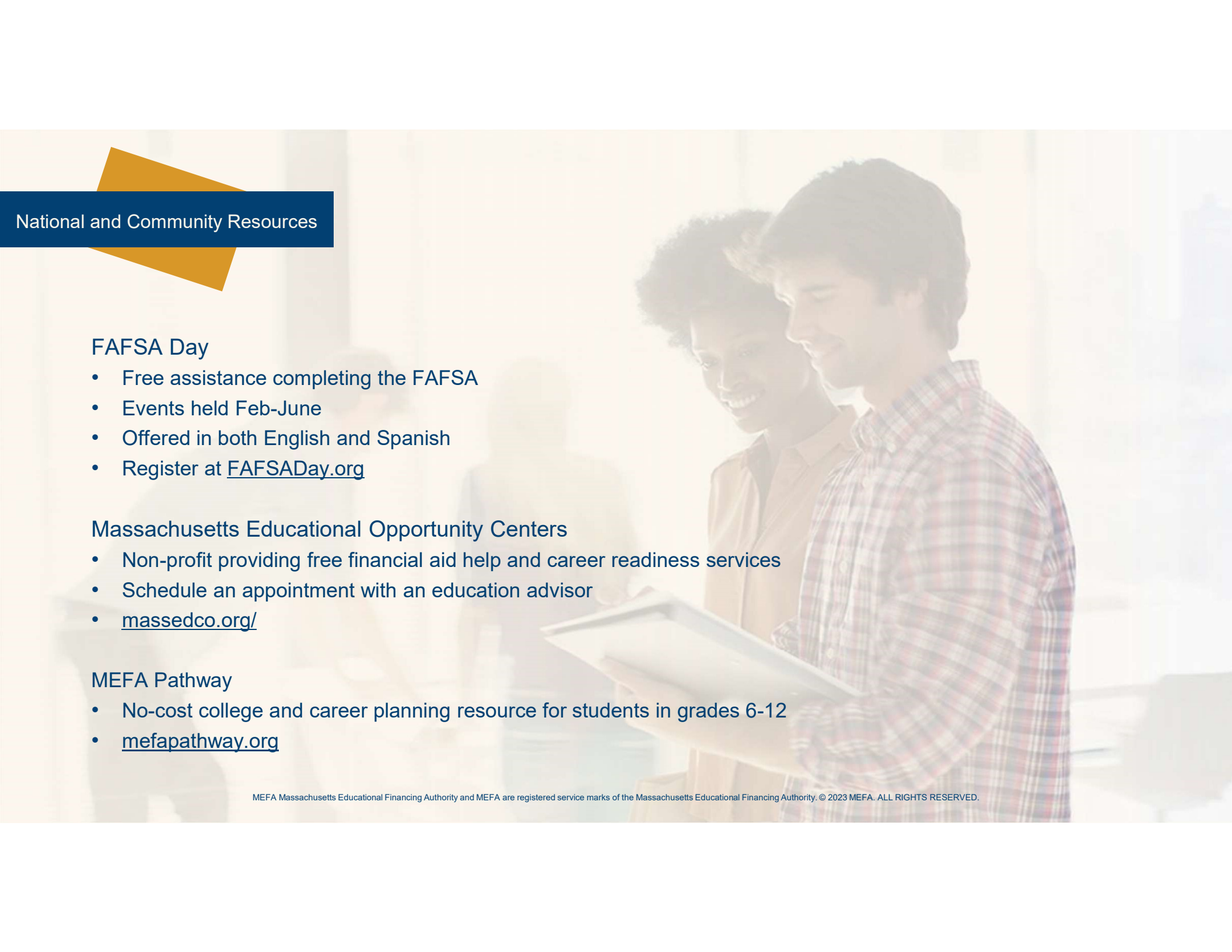
- Reduction on out-of-state tuition costs at New England schools for certain programs
- [nebhe.org/tuitionbreak](https://nebhe.org/tuitionbreak)



# FREE RESOURCES

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A background image showing two students, a young woman and a young man, looking at a tablet together. The woman is on the left, smiling, and the man is on the right, also smiling. They are in a bright, indoor setting, possibly a classroom or library. The image is slightly faded to allow text to be read over it.

## National and Community Resources

### FAFSA Day

- Free assistance completing the FAFSA
- Events held Feb-June
- Offered in both English and Spanish
- Register at [FAFSADay.org](https://fafsaday.org)

### Massachusetts Educational Opportunity Centers

- Non-profit providing free financial aid help and career readiness services
- Schedule an appointment with an education advisor
- [massedco.org/](https://massedco.org/)

### MEFA Pathway

- No-cost college and career planning resource for students in grades 6-12
- [mefapathway.org](https://mefapathway.org)

## Staying on Track Through Senior Year

### Spring/Summer Junior Year

- Research colleges
- Visit campuses and college fairs
- Ask teachers for letters of recommendation
- Take the SAT/ACT
- Start writing the college essay

### Fall Senior Year

- Retake the SAT/ACT
- Secure letters of recommendation
- Finalize the college essay(s)
- Attend MEFA's *Financial Aid 101* webinar
- Complete all admissions applications
- Get an FSA ID
- Submit the CSS Profile if required

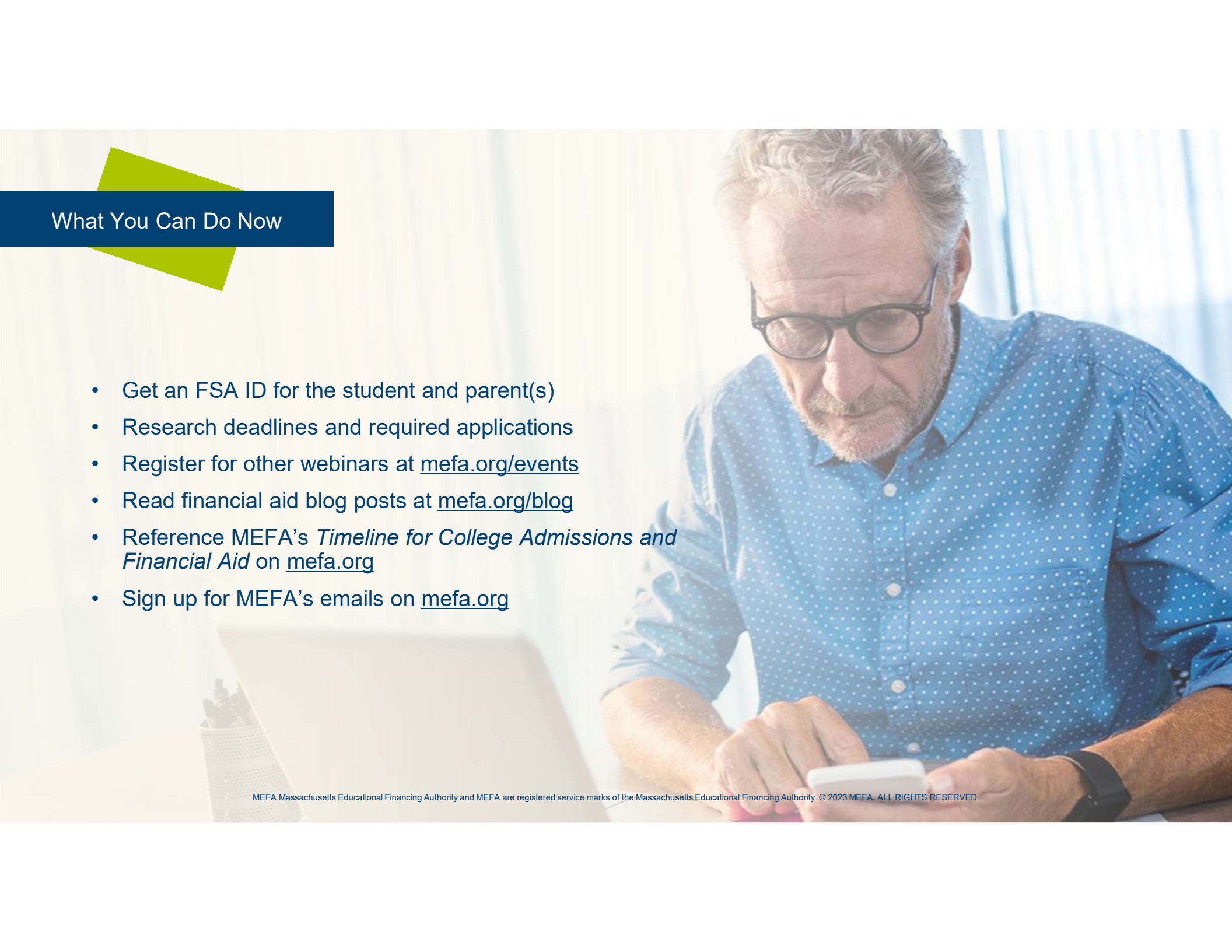
### Winter Senior Year

- Submit admissions applications
- Submit the FAFSA
- Apply for private scholarships
- Send in mid-year grade reports

### Spring Senior Year

- Receive admissions and financial aid offers
- **Attend MEFA's *Understanding Financial Aid Offers & Paying the College Bill* webinar**
- Attend college open house programs
- Choose your college by May 1<sup>st</sup>

View an extended timeline at: [mefa.org/college-admissions-and-financial-aid-timeline](https://mefa.org/college-admissions-and-financial-aid-timeline)



## What You Can Do Now

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

# Questions?

Call (800)-449-MEFA (6332) or email [collegeplanning@mefa.org](mailto:collegeplanning@mefa.org)

Scan the QR code to sign up for MEFA emails on relevant college planning topics



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