

Financial Aid 101

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college planning topics



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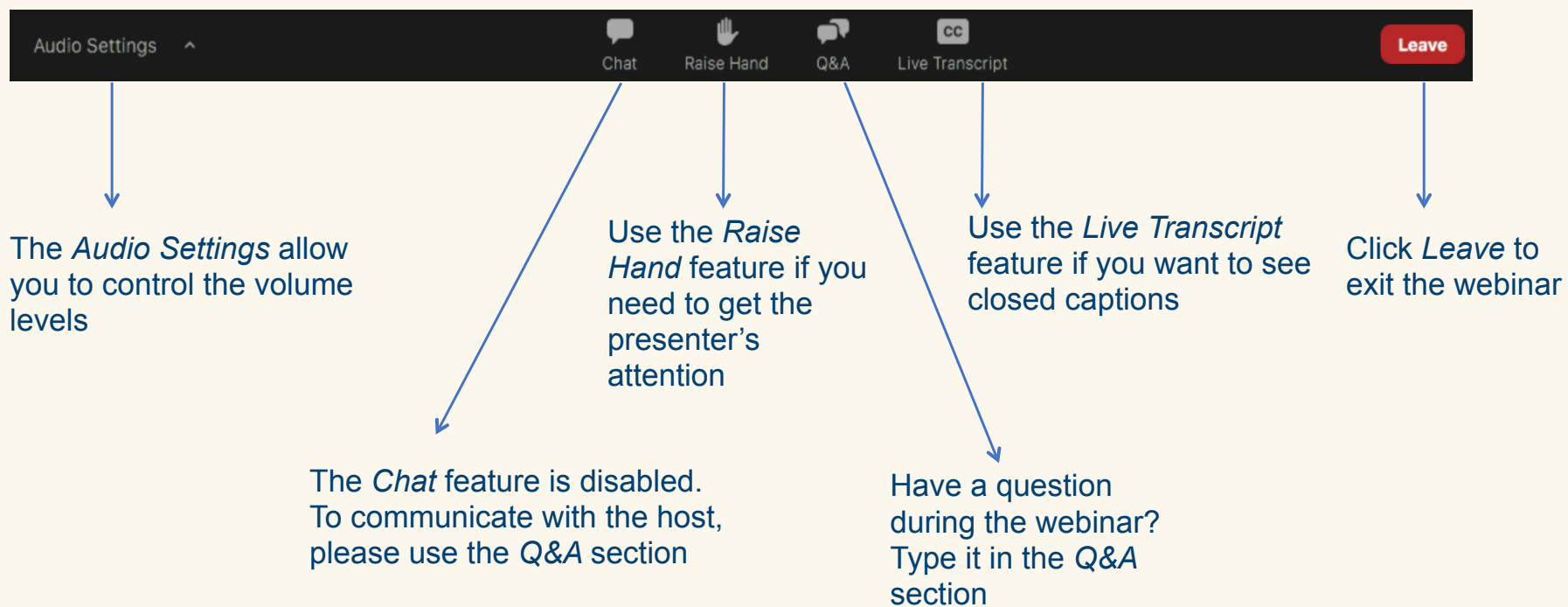
youtube.com/MEFAcounselor



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. 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

College/University (institutional aid)

- Grants, scholarships, loans

Other Agencies

- Scholarships: Search through mefapathway.org and 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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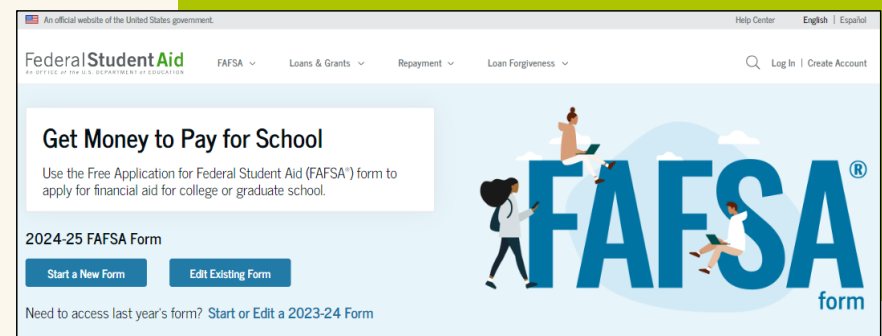
A blurred background image of a young woman with dark hair, wearing a white sweater with a grey and red pattern, looking down at a tablet computer. In the background, other students are visible, including a young man in a blue sweater standing and another person sitting at a desk.

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

FAFSA®

- Free Application for Federal Student Aid (FAFSA)
- Required by all colleges & must complete **every year**
- Available at fafsa.gov in Dec this year (usually Oct 1st)
- 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

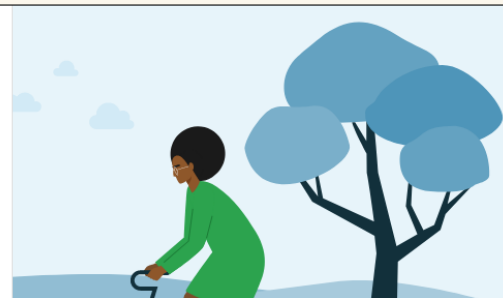
- FSA ID = username and password
- Must have an FSA ID to log in
- Set up your FSA ID now (must wait 2-4 days to start the FAFSA)
- Must have an email address
- Who needs an FSA ID?
 - Student
 - Student's spouse if filed taxes separately or didn't file
 - Every parent listed on the FAFSA
 - If parents 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](#)





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

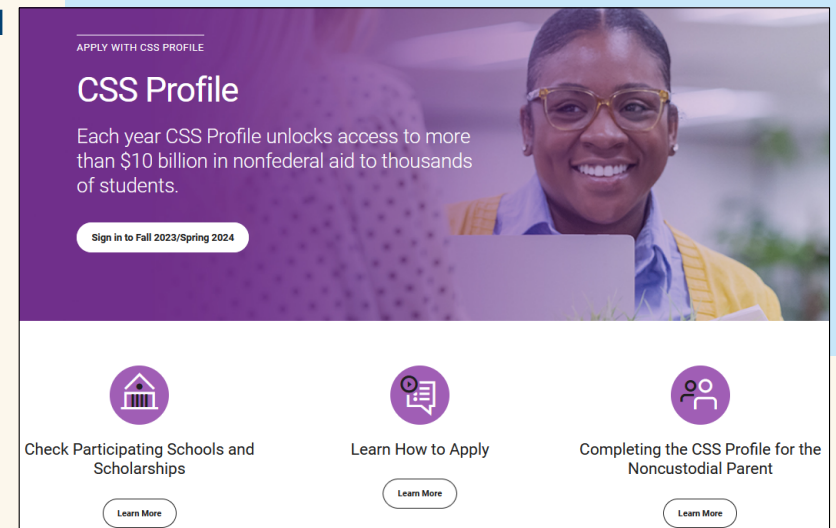
Other Financial Aid Applications

CSS Profile™

- cssprofile.org
- 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 background of the slide is a photograph of two students, a young woman and a young man, sitting at a desk and studying. The woman is in the foreground, looking down at a book or paper. The man is behind her, also looking down. They are both wearing blue blazers. The image is slightly blurred and has a warm, yellowish tint. In the top left corner, there is a dark blue rectangular box with the text 'After You Apply' in white. A light blue triangle is partially visible behind this box.

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



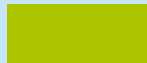
HOW FINANCIAL AID DECISIONS ARE MADE

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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

A young man with brown hair, wearing a red and white baseball-style t-shirt, is smiling and looking towards the camera. He is carrying a black backpack. The background is a blurred outdoor setting with trees and other people, suggesting a school campus.

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
- 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. 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, there are three bullet points: "View and compare the cost of the Massachusetts colleges you included on your FAFSA application.", "View your 'expected family contribution' (EFC) - the amount the federal government estimates you and your family will need to pay towards the cost of college.", and "View federal and state financial aid that you may be eligible for and update your eligibility by providing additional information." The interface also includes a "Welcome Bobby!" section with fields for Name, Address, Email, Phone, and Cell Phone, and an "Update Student Info" button. On the right, there is a "My MASSGrant" section for the year 2023 to 2024, showing an "Award Status" of "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)." and a table with columns "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

Tuition Break

- Reduction on out-of-state tuition costs at New England schools for certain programs
- 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/

MEFA Pathway

- No-cost college and career planning resource for students in grades 6-12
- 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

Winter Senior Year

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

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

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 1st

View an extended timeline at: 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
- Read financial aid blog posts at mefa.org/blog
- Reference MEFA's *Timeline for College Admissions and Financial Aid* on mefa.org
- Sign up for MEFA's emails on mefa.org

Questions?

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