PAYING FOR COLLEGE: UNDERSTANDING FINANCIAL AID, SCHOLARSHIPS, AND MORE!

Jerry Cebrzynski
Lake Forest College
The Real Cost of College

Financial Aid is...

The Application(s)

Financial Aid Award Letter

Award Letter comparison tool

Deadlines

Where to find help
IS COLLEGE AFFORDABLE
THE REAL COST OF COLLEGE

- 85% of all full-time, first-time (FTFT) undergraduate students receive some form of financial aid
- 95% at private colleges; 80% at public institutions
- 60% of all funds awarded to undergraduates were from a scholarship or grant
- *If you think you need help financing college, apply for financial aid*
STUDENT BUDGETS, 2022-23

$28,000

$58,000

College Board, Trends in College Pricing and Student Aid 2022, Figure CP-1.
Lake Forest College
555 N Sheridan Road, Lake Forest, Illinois 60045-2399

General Information: (847) 234-3100
Website: www.lakeforest.edu
Type: 4-year, Private not-for-profit
Awards offered: Bachelor's degree, Master's degree
Campus setting: Suburb: Large
Campus housing: Yes
Student population: 1,626 (1,607 undergraduate)
Student-to-faculty ratio: 12 to 1

IPEDS ID: 148461
OPE ID: 00170500
College Scorecard

Scorecard includes “outcome data” such as:

- Costs
- Graduation Rates
- Loan Default Rates
- Loan Repayment Rates
- Average Amount Borrowed
- Employment
- Earnings

*Interactive tool – new data recently added*
University of Illinois Urbana-Champaign

Graduation Rate: 86%
Average Annual Cost: $15k
Median Earnings: $77k
FINANCIAL AID IS...

- Scholarships
- Grants
- Student Loans
- Work-Study
SOURCES OF FINANCIAL AID

Federal Government

Employers

States

Private Sources

College and Universities
MERIT-BASED

- From College as well as Foundations
- Based solely on the student's credentials
NEED-BASED

- Calculated from FAFSA and other aid applications
- Sources can be federal, state, institutional
- Types include grants, student loans, work-study
How do you begin – for merit based?
How do you begin – need based?

The Free Application for Federal Student Aid (FAFSA) collects basic financial data and is used to determine the student’s eligibility by calculating an “index” #
Overview of the FAFSA

- Available in December
- STUDENTAID.GOV
- 2 Sections - parent and student
- Based upon two years prior tax year
- Direct Data Exchange (DDX)
GENERAL OUTLINE OF THE FAFSA

**PARENTS**
- Family size
- Number in college
- Age of parents
- Income*
- Assets

**STUDENTS**
- Identifying
- Demographic
- Income*
- Assets
- College plans

*From the IRS using Direct Data Exchange (DDX)*

**Note:** list up to 20 colleges, using each college’s unique federal school code
FAFSA FAQS

- Definition of parents
- Assets included
  - Savings, stocks, other real estate
  - 529 Plans (parents)
  - Farm or Business
- Assets *not* included
  - Home equity
  - Retirement accounts
  - Insurance policies, annuities
- One FAFSA per student
Student Log In

If the student selects "Start a New Form" from the FAFSA® landing page and they are not logged in to StudentAid.gov, they are taken to the “Log In” page to enter their log-in credentials. To access the FAFSA form, all students are required to have an FSA ID (account username and password). If the student doesn't have an FSA ID, they can select "Create an Account."
What is the FAFSA® form?

Use the Free Application for Federal Student Aid (FAFSA®) form to apply for grants, scholarships, work-study funds, and loans for college or graduate school.
Contributors to the FAFSA® Form

Parents or Spouses
Your answers on the FAFSA form will determine if any contributors need to be identified. These contributors will complete their own sections of the form and are asked to provide personal and financial information, but will not become financially responsible for your education.

How to Invite
Contributors will need to log in with their own FSA ID to provide their information. To invite a contributor to your FAFSA form, you'll need to provide their name, date of birth, Social Security number, and email address.

Information or Documents You May Need

You might need the following information or documents as you fill out the FAFSA form:
- Tax returns
- Records of child support received
- Current balances of cash, savings, and checking accounts
- Net worth of investments, businesses, and farms
Understanding the FAFSA® Form

3 of 4
What To Expect

How long will this take? 1 hour

Every contributor must provide consent for you to be eligible for federal student aid. With your consent, we can obtain your federal tax information automatically from the IRS to help you complete the FAFSA® form. You can save the form and return to it later if you need more time.
Understanding the FAFSA® Form

After Submitting the FAFSA® Form

After submission, you’ll need to check on the status of your FAFSA® form and make corrections, if required.

➔ Your form will be processed in 1–3 days.
➔ You’ll receive a FAFSA Submission Summary. It will include the Student Aid Index (SAI), a number used to determine federal student aid eligibility.
➔ Schools will use your SAI to create your financial aid offer that explains the types and amounts of aid they are offering you. Most schools will wait to send you an aid offer only after they accept you for admission.
Student Identity Information

This is the first page within the student section. The student can verify that their personal information is correct. To update any of the personal information, the student must access their Account Settings on StudentAid.gov.

Student Identity Information

Review the information below and verify that it's correct before moving forward.

Name
Raya A. Tran

Date of Birth
05/05/1995

Social Security Number
***-**-1234

Email Address
rayaatran@gmail.com

Mobile Phone Number
(555) 555-5555

To update this information for all federal student aid communications, go to Account Settings.
Student Provides Consent

This page informs the student about consent and their federal tax information. By providing consent, the student’s federal tax information is transferred directly into the FAFSA® form from the IRS to help complete the Student Financials section. The student selects "Approve" to provide consent and is taken to the next page.

Provide Consent or Be Ineligible for Federal Student Aid

Summary

Your consent is needed to retrieve and disclose federal tax information (FTI). With your consent, we can obtain tax return information automatically from the IRS to help you complete the FAFSA® form. If you don’t provide consent, you will not be eligible for federal student aid, including grants and loans. You must provide consent even if you didn’t file a U.S. federal tax return or any tax return at all.

- Get your 2022 tax return information for the 2024–25 FAFSA form.
- Tax return information is required to complete the FAFSA form.
- FTI is used to determine your eligibility for federal student aid.
Student: Tell Us About Your Parents

The FAFSA® form considers their “Parent” to be their legal (biological or adoptive) parent. The student is asked if their parents are married. The student selects "Yes" and is required to invite their parents to their FAFSA form to complete the required parent sections.
The student is asked to enter personal information about their parents in order to send them an invite to their FAFSA® form.
Student Selects Colleges

This is the first page in the Select Colleges section, which is the final part of the FAFSA® form’s student section to require information. It provides an overview of the section.
College Search

The student is asked to search for the colleges and/or career schools they would like to receive their FAFSA® information. The student searches for a school by entering a state, city, and/or school name. After selecting “Search,” they select the correct school from the search results. Students can select to send their FAFSA information to a maximum of 20 schools.
Student Signature

On this page, the student acknowledges the terms and conditions of the FAFSA® form and signs their section. After agreeing and signing, the student is able to submit their section of the FAFSA form. Since parent information has not been provided, the FAFSA form is not considered complete and can’t be processed yet.
Upon signing the student section, the student is presented the student section complete page. This page displays information for the student about next steps, including tracking their FAFSA® form. The student is reminded that their form is not completed and can’t be submitted until the parent completes the contributor section of the form and signs it. Next, in this scenario, the student’s invited parent will enter the FAFSA form and complete the parent section.
Raya Tran Wants Your Help on a FAFSA® Form

Raya Tran has identified you as a parent on their Free Application for Federal Student Aid (FAFSA®) form.

Parents are required to provide their financial and demographic information on the student’s FAFSA form. This does not make you financially responsible for Raya’s educational costs or any federal student loans they decide to accept.

Visit the 2024-25 FAFSA Help Center

Accept InvitationDecline Invitation

By accepting this invitation, you agree to share your personal and contact information from your StudentAid.gov account on the student’s FAFSA form. Once you accept, your information will be linked to this form.
Welcome, Raya, to the FAFSA® Form

I am starting the FAFSA form as a

- [ ] Student
- [ ] Parent

Previous  Continue
Student’s Parent Log In

The parent is taken from their email to the “Log In” page to enter their log-in credentials. To access the FAFSA® form, all users are required to have an FSA ID (account username and password). If the parent doesn't have an FSA ID, they can select "Create an Account."
This page informs the parent about consent and their federal tax information. By providing consent, the parent’s federal tax information is transferred directly into the FAFSA® form from the IRS to help complete the Parent Financials section. The parent selects "Approve" to provide consent and is taken to the next page.
Student’s Parent Demographics

This is the first page in the Parent Demographics section. It provides an overview of the section.

Demographics About You

We’ll ask about your marital status, college students in your household, and legal residence.

→ This is because most dependent students receive support from their parents, and this affects how much they’re able to pay for school.

Previous  
Continue
Family Size

Is the parent’s family size different from the number of individuals claimed on their 2022 tax return?

- Yes
- No

Number in College

How many people in the parent’s family will be in college between July 1, 2024, and June 30, 2025?

*Do not include the parent.*

1
Parent Tax Return Information

The parent is asked questions about their 2022 tax return. The parent enters a response in each entry field.
Parent Assets

Annual Child Support Received
Enter total amount received in child support for the last complete calendar year.

Parent Assets
- Current Total of Cash, Savings, and Checking Accounts
  Don't include student financial aid
  $ 10,000.00
- Current Net Worth of Businesses and Investment Farms
  Enter the net worth of your businesses or for-profit agricultural operations. Net worth is the value of your businesses or farms minus any debts owed against them.
  $ 0.00
- Current Net Worth of Investments, Including Real Estate
  Don't include the home you live in. Net worth is the value of your investments minus any debts owed against them.
  $ 5,000.00
Parent Signature

Summary
This page confirms that you understand the terms and conditions of the FAFSA® form and filled out the form accurately to the best of your ability.

The FAFSA form is a legal document you will electronically sign with your account username and password (FSA ID). Because your FSA ID is associated with your personal information, do not share it with anyone.

By signing the student's application electronically using your account username and password, YOU, THE PARENT, certify that all of the information you provided is true and complete to the best of your knowledge and you agree, if asked, to provide
- information that will verify the accuracy of your completed form, and
- U.S. or foreign income tax forms that you filed or are required to file.

You also certify that you understand that the Secretary of Education has the authority to verify information reported on your application.

If you sign this application or any document related to the federal student aid programs electronically using a username and password, and/or any other credential, you certify that you are the person identified by the username and password, and/or any other credential and have not disclosed that username and password, and/or any other credential to anyone else. If you purport to give false or misleading information, including applying as an independent student without meeting the unusual circumstances required to qualify for such a status, you may be subject to criminal penalties under 20 U.S.C. 1097, which may include a fine up to $20,000, imprisonment, or both.

Sign for yourself and submit the application for Raya Tran (Student).

I, Alaina Tran, agree to the terms outlined above.
FAFSA® Confirmation

Upon submitting the student's FAFSA® form, the parent is presented an abbreviated confirmation page. This page displays information about tracking the student's FAFSA form and next steps. The student will receive an email with the full, detailed confirmation. With the student and parent sections completed and signed, the FAFSA form is now considered complete and submitted for processing.

What Happens Next

- **Email sent**
  Confirm that the student received an email version of this page.

- **The Student Will Receive Notification of Processing**
  In one to three days, the student will receive a notification by email that their FAFSA form was processed and sent to the student's schools.

- **The Student Will Receive School Communications**
  We use the information collected on the student's FAFSA form to calculate their Student Aid Index (SAI). The SAI lets schools determine how much aid the student is eligible to receive. Schools will reach out to the student if they need more information. They will also contact the student with financial aid offers. Once received, the student can contact their financial aid office directly to ask questions about their student aid packages.

Track and Manage the Student's FAFSA® Form

You can check the status of the student's application in the “My Activity” section of your StudentAid.gov account. We will let you know if we need anything more from you.
SPECIAL CIRCUMSTANCES MATTER

- When the numbers don’t tell the whole story
- When the situation is expected to change (or has)
- Must be able to document
- Ex. decrease in income, healthcare costs, legal fees, etc.
- *Consideration will vary from school to school*
Special Circumstances

- Loss of employment
- Dependent care
- Secondary school tuition
- Uncovered medical/dental expenses
- Marital status change
- One-time expenses (emergency home repairs, ...)

EXPENSES
SUPPLEMENTAL FINANCIAL AID APPLICATIONS

- The College Scholarship Service (CSS) Financial Aid PROFILE

or

- A College’s own application for financial aid
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 How to Apply

Completing the CSS Profile for the Noncustodial Parent

https://cssprofile.collegeboard.org/
Students and their parent(s) have the primary responsibility to pay for college (to the extent they are able).

Financial aid assessment is NOT a cash flow analysis but rather an evaluation of an individual family’s appropriate economic strength.

The contribution is determined by a standard formula that assesses a family’s ability to pay.

Special circumstances matter; they can and do affect ability to pay.

Communication is vital.

*The Financial Aid Office is your advocate!*
THE FINANCIAL AID AWARD LETTER
(OR “PACKAGE” )
THE FINANCIAL AID AWARD LETTER

- Will contain a combination of scholarship, grant, loan and work-study funds
- Why might “packages” be different?
  - cost of attendance
  - scholarship criteria and availability
  - institutional philosophy and funding
- Renewal for four years
Current “graduation rate survey” as reported to the National Center for Education Statistics under IPEDS

Current “cohort default rate” as calculated by the Department

NEW “median debt” calculated by the Department
AWARD LETTER COMPARISON TOOLS

- Finaid.org
- ISAC.org
- Consumer Financial Protection Bureau
DEADLINES ARE ESSENTIAL!

- Know each College’s *priority* deadlines
  - Read and retain all communication you receive
  - Merit scholarship deadlines
  - Admission Decision deadlines
  - Deadlines for supplemental documents (verification worksheet, etc.)
ASK FOR HELP

- Your HS Guidance or College Counselor
- A College’s Financial Aid Office
- Online
  - collegezone.com
  - finaid.org
  - studentaid.gov
  - College Web Sites
  - Video tutorials on FSA YouTube channel:
    - How to Create Your FSA ID
Enroll in College!

Admission application, now

CSS Profile – October 1

FAFSA – December

Award Letter – January through March

Special circumstances

Ask questions

May 1 – National Candidate Reply Date

KEY TAKEAWAYS