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Financial Aid 101



OFFICE OF
FINANCIAL AID
UNIVERSITY OF MICHIGAN

Discussion Topics

- **What Is Financial Aid?**
- **Types of Financial Aid**
- **College costs and Cost of Attendance**
- **Financial Aid Eligibility**
- **Applying for Financial Aid at U-M**
- **Planning Tools**
- **Next Steps**
- **Tips for Students and Families**

What Is Financial Aid?



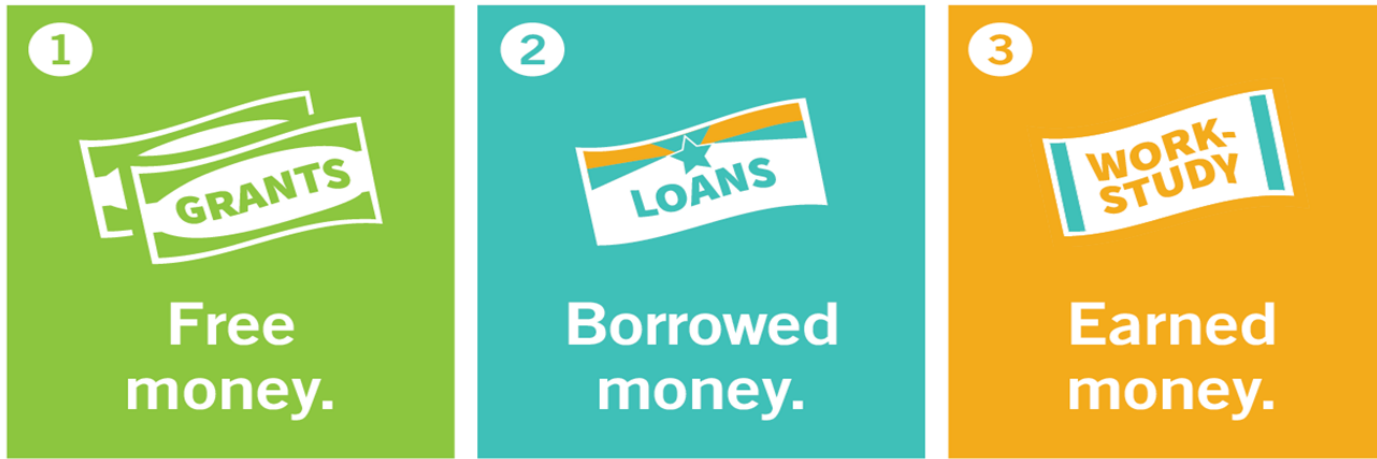
**Financial aid is
money used to pay
for college**

What Is Financial Aid?

Financial aid IS NOT

- Credit cards
- Shopping
- Buying a car
- Partying
- Spring break/vacation

Types of Financial Aid



Grants, some **scholarships**, **Work-Study** and a **subsidized federal loan** are need-based.

An **unsubsidized loan** is NOT need-based, and students can receive one as long as there is a financial need and the FAFSA has been completed.

Types of Financial Aid

Free money (also called Gift Aid)

- **Scholarships**
 - Earned in some way: grades, skills, service, etc.
 - Awarded by a variety of organizations
 - May, or may not, require FAFSA and/or other applications

Types of Financial Aid

Watch for scholarship scams

- Scholarships with application fee
- No contact telephone number
- Unsolicited scholarship opportunity
- Hype or pressure to participate
- Scholarship services that guarantee success
- Social Security number, checking/savings account info requested

More information:

- studentaid.gov/resources/scams

Types of Financial Aid

Understand your scholarship

- **One-time vs. renewable**
 - If renewable, are there requirements?
 - GPA
 - Major specific
 - Full-time
- **Tuition-specific scholarship**
- **What's the value of the scholarship?**
 - Full ride vs. partial (will you have remaining costs?)

Types of Financial Aid

Free money (also called Gift Aid)

- **Grants**
 - Need-based
 - Must complete FAFSA to apply
 - May need to complete other applications such as CSS Profile or other institutional forms

Types of Financial Aid

Go Blue Guarantee

- Free U-M tuition for four years
- Must qualify for in-state tuition and be earning first bachelor's degree
- Family income of \$75,000 or less and assets below \$75,000
- Must apply and be eligible for financial aid
- More information: goblueguarantee.umich.edu/ann-arbor
- Eligibility: finaid.umich.edu/go-blue-guarantee-eligibility



FREE TUITION

for families with incomes \$75,000 & under
& assets below \$75,000

Tuition support for some families earning more

Four years for qualifying in-state students on the Ann Arbor campus



Types of Financial Aid



Earned money: Work-Study

- Get paid for your work
- Receive bi-monthly paychecks
- Have flexible work schedules
- Consider on- or off-campus opportunities
- Students not awarded Work-Study with their financial aid notice may apply for other jobs on- and off-campus

Types of Financial Aid

Borrowed money: Loans

- Borrow only what is REALLY needed
- Repayment begins after graduation
- Federal Loans from the FAFSA
 - **Subsidized Direct Loans:** student is borrower, interest does not accrue until repayment
 - **Unsubsidized Direct Loans:** student is borrower, interest accrues day one

College Costs and Planning Tools

Direct Costs

- Paid DIRECTLY to the university (billed twice per year):
 - Tuition & fees
 - Food & housing

Indirect Costs

- Paid to others and can include:
 - Books, Course Materials, Supplies & Equipment
 - Miscellaneous personal expenses
 - Transportation

College Costs and Planning Tools

U-M Cost of Attendance

	In-State	Out-of-State
Tuition & Fees**	\$ 17,228	\$ 58,072
Living Expenses‡	\$ 14,460	\$ 14,460
Books, Course Materials, Supplies & Equipment	\$1,126	\$1,126
Transportation	\$400	\$400
Misc. Personal	\$ 2,236	\$ 2,236
TOTAL	* \$ 35,450	* \$ 76,294

* This is the maximum amount of financial aid you can receive.

** Tuition and fees listed are based on approved rates for the 2023-2024 academic year. Rates are approved each June by the U-M Board of Regents and estimated budgets are updated at that time. Tuition and fees may be higher or lower depending on a student's program of study; these estimated budgets use information from the College of Literature, Science and the Arts. Current tuition information is available through the Office of the Registrar.

‡ Based on the unlimited basic residential meal plan.



Financial Aid Eligibility

Student Aid Index (formerly known as the Expected Family Contribution)

- Calculated using a federal formula with information from the FAFSA
- Parent contribution and student contribution
- Amount a family can reasonably expect to contribute
- The same at every institution

Financial Aid Eligibility

Calculating Financial Need

	Cost of Attendance (Budget)		\$26,000
	Student Aid Index (SAI)	-	\$ 4,000
	Other Aid or Resources (such as private scholarships)	-	\$ 0
	Your Need for Aid	=	\$22,000

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Applying for Financial Aid



OFFICE OF
FINANCIAL AID
UNIVERSITY OF MICHIGAN

Completing the FAFSA: Where

An official website of the United States government.

Help Center Submit a Complaint English | Español

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

FAFSA® Form ▾ Loans and Grants ▾ Loan Repayment ▾ Loan Forgiveness ▾

Complete the FAFSA® Form

Use the *Free Application for Federal Student Aid* (FAFSA®) form to apply for financial aid for college or graduate school.


New to the FAFSA® Process?
Completing the FAFSA form is free. Fill it out now.

Start Here

Returning User?
Correct info | Add a school

View your *Student Aid Report* (SAR)

Log In



Complete the FAFSA

- It's free, easy, fast, and more people qualify for student aid than you think.

Completing the FAFSA: When

Two Applications:

- FAFSA: studentaid.gov/h/apply-for-aid/fafsa
 - Free application
 - State, federal, and private financial aid resources
- CSS Profile: cssprofile.org/
 - \$25 application fee or automatic fee waiver
 - Need-based U-M grants and scholarships
- Priority deadline: March 31
- Suggested Filing Date: Dec. 15

Completing the FAFSA: How

Important documents

- Income data will be transferred using the IRS Direct Data Exchange on the FAFSA
- 2022 Tax Return
- Bank/asset statements
- Child support (paid or received)
- Other untaxed income

Completing the FAFSA: Why



Why should you complete the FAFSA?

- Student Aid Index (SAI) determines your aid eligibility
- Gain access to multiple sources of aid
- Can list up to 20 schools on your application

Completing the FAFSA: What

FAFSA: What should I expect?

- Multiple sections are for student information
- Two sections are for parent information
- “As of today” language



Completing the FAFSA: Who

FAFSA

- **Each student**
 - Parent data can be transferred for multiple children
- **Parent(s)**
 - Both parents (biological, step-parent, adoptive) if married
 - Only one parent if single, divorced, or separated (the parent that claims the student as a dependent on their 2022 taxes)
 - If both parents live in the same house and are not married both incomes go on FAFSA

Dependent vs. Independent

FAFSA: Dependent vs. Independent

- **Dependent** (most students are dependent)
 - Requires parental information
- **Independent** (No parental information required if):
 - Married
 - At least 24 years old
 - At any time since you turned age 13, both your parents were deceased, you were in foster care, or you were a Ward of the Court/State
 - Have a dependent that you provide more than 50% support for
 - Homeless

(This is a sample of questions on the FAFSA that determine independent student status)

Important Dates



When should you complete the FAFSA?

- The 2024-2025 FAFSA will become available in **December 2023**.
- The state of Michigan deadline is **March 1**.
- U-M deadline is **March 31** (we recommend completing applications by March 1 in case additional documentation is needed).
- FAFSA is an annual application. File it every year!
- If you apply by the suggested filing date of **Dec. 15**, and are admitted Early Action, you will receive a preliminary financial aid package sooner.

Applying for Financial Aid

FAFSA: frequent errors

- Social Security numbers
- Divorced/remarried parental information
- Student/parent income
- Real estate & investment net worth
- Work-Study preferences

College Costs and Planning Tools



Planning tools:

- finaid.umich.edu/tools-resources/planning-tools-calculators#comparing-financial-aid-offers

College Scorecard compares colleges from around the country

- collegescorecard.ed.gov

College Costs and Planning Tools

Net Price Calculator

- A free, interactive tool that provides estimated net cost
- Uses institutional data
- Calculates individual situations
- npc.collegeboard.org/app/umich

Federal Student Aid Estimator

- Free federal tool
- Early estimate for federal student aid
- Offers options to pay for college
- studentaid.gov/aid-estimator/

Next Steps

What's next?

- Make necessary FAFSA corrections
- Complete institutional forms
 - CSS Profile
 - Scholarship applications
 - Verification
- Additional documentation (Federal Tax Transcripts, W-2s)
- Estimated Aid Notices will be sent in early 2024
 - Based on initial calculated need
 - Not binding, simply an offer

Next Steps

Reporting Special Circumstances

- Change in employment, death, marital status, one-time significant benefit, large out-of-pocket medical expenses, etc.
- Cannot report on FAFSA
- Send explanation to each financial aid office
- All special circumstances will be reviewed, and a FINAL decision will be made*

If you have an unusual circumstance where parental data cannot be provided on the FAFSA, contact the Office of Financial Aid about your options.

*Cannot appeal this decision to Department of Education



Tips for Students and Families



- **Consider payment plans**
- **Know before you Go Blue!**
- **Satisfactory Academic Progress**
- **Apply for scholarships every year**
- **Meet all deadlines**
 - Check & respond to your email
 - Check & respond promptly to requests
- **Problems/issues**
 - Talk to the experts on campus

Thank You

Office of Financial Aid

515 E. Jefferson St.
Ann Arbor, MI 48109-1316

finaid.umich.edu

Outreach Unit

financial.aid@umich.edu

The information presented is based on current circumstances and is subject to change. Please refer to specific schools/institutions for additional information.

