

## How do I compare award packages?

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Once you receive your award letter or notice, be sure to pay close attention to the offer, as well as to what you must do to accept the offer. The award letter will likely contain different types of financial aid combined into a financial aid package and will be for a specific period of enrollment and enrollment status (full- or half-time for example). Your package may contain *scholarships, grants, work study* or *student loans*. See the Sample Award Package on the back.

Be sure to notice whether you must sign and return your award notice to accept the aid. For offers that include work-study and student or parent loans, you may have to explicitly accept them.

The award letter usually identifies the cost of attendance (COA) and expected family contribution (EFC) used to determine your eligibility.

**Cost of attendance** includes tuition, fees, room and board (if you live on campus in a residence hall), books, supplies and related living expenses while attending school.

**Expected family contribution** is the amount a student and his or her family may reasonably be expected to contribute toward the cost of attending college that year.

### Here are some points you'll want to consider when comparing financial aid award packages from different colleges:

#### \_\_\_ Ratio of grant to loan

In general, packages with higher percentages of grant aid than loan aid will be more appealing. You'll have less to pay while in college and fewer debts to repay when you graduate. This ratio may also give you a clue as to how much the college wants you, since colleges tend to award higher proportions of grant aid to the most desirable students in the accepted group.

#### \_\_\_ Ratio of self help to grant

This looks at the big picture beyond just grant vs. loan. How much of the total cost of attendance are you expected to cover through loans, the expected family contribution, and student employment on campus? You'll need to be realistic about whether you can meet the earnings expectations.

#### \_\_\_ Loan terms

Compare the types of loans you are expected to take on. Are the terms favorable in terms of interest and repayment? Student loans with low interest rates and no repayment until after college are preferable to private or unsubsidized loans with less attractive terms.

#### \_\_\_ Gapping

Some colleges award aid that amounts to less than the difference between the Expected Family Contribution and the total cost of attendance. If you find you have been gapped in an award, only you can determine if you will be able to, and want to, come up with the additional money in order to attend.

#### \_\_\_ Future Packages

You'll want to find out if all or part of your financial aid award is renewable if family circumstances stay the same (or worsen!). Beware of packages that seem too good to be true: often the terms will not be as favorable for subsequent years of enrollment.

#### \_\_\_ Outside Scholarships

If you are applying for or will otherwise qualify for outside scholarships, be sure to find out how this money will be treated in each college's financial aid award package. At some colleges, an outside scholarship directly reduces the institutional grant by the same amount. Other colleges allow a certain amount to go first against any suggested loan, then, if the outside scholarship is greater than that amount, it will reduce equally institutional grant and loan.

### Questions to ask yourself and the financial aid office at the college:

- With the aid offered to me, can I afford to attend my first choice college or university?
- Is there a commitment from the financial aid office to continue the aid after the first year of college? Under what terms and conditions?
- Is the loan or work required reasonable? Can I afford the payments once I have graduated? How many hours of weekly work does the award imply?
- Are other options available to me at my first choice college or university? Ask the aid office at that college or university to suggest other options for financing your education.

## Sample Award Package

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If your application for admission has been accepted, and you have taken all the steps to apply for financial aid, and your family demonstrates financial need, you are likely to receive a financial aid award.

Now what?

Below is a sample of an award package that students may receive once their admission application is accepted. Interpreting the award letter can take time, and this sample may help you and your family interpret your aid award letter once you receive it. Be sure to ask all questions you have and get the answers before the acceptance deadline.

Sample Financial Aid Award Package	
<b>Total Cost of Attendance</b>	<b>\$20,000</b>
<b>Expected Family Contribution</b>	<b>\$1,823</b>
<b>Outside Scholarship</b>	<b>\$1,000</b>
<b>Financial Need</b>	<b>\$17,177</b>
<b>Federal Pell Grant</b>	<b>\$3,700</b>
<b>State Scholarship Grant</b>	<b>\$1,500</b>
<b>Institutional Grant</b>	<b>\$7,500</b>
<b>Federal Perkins Loan</b>	<b>\$1,000</b>
<b>Federal Direct Loan</b>	<b>\$1,477</b>
<b>Federal Work-Study</b>	<b>\$2,000</b>
<b>Total Award</b>	<b>\$17,177</b>

In this award, the college is covering more than half of the demonstrated financial need with a grant. That certainly helps! But it would be important to ask the financial aid staff whether this level of grant can be expected in future years. (Unfortunately, some colleges do make large initial grants to encourage students to enroll, and may reduce or remove grants after the first year.)

You'll also want to ask about the continued availability of the state grant.

If the grants look to be stable over the time you'd be enrolled, you can estimate the total student loan indebtedness you would have after four years — in this case, around \$10,000 if college costs remain the same. That's about the average level of indebtedness for students graduating nationwide.

You'll also want to look at the Federal Work-Study figure. Are you willing to work on campus to earn these funds? If not, you will be expected to come up with the \$2,000 in some other way (either extra work beyond the summer earnings expectation, a gift from a relative, a loan, etc.).

**Important Note:** If financial circumstances have changed since you submitted the FAFSA or if you feel there is an extenuating financial issue, you can contact the financial aid office and request a review. Financial Aid Officers will require documentation but they are allowed "Professional Judgment" and they are there to help you, if possible.