

FINANCING YOUR STUDENTS EDUCATION

How to pay for college

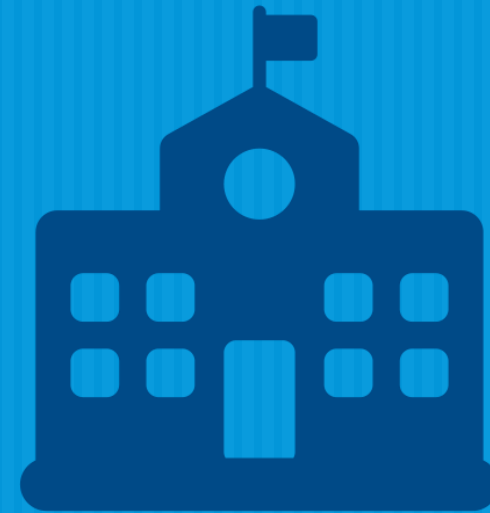
Presented by Hood College Financial Aid Office

TOPICS WE WILL DISCUSS TONIGHT

- What is financial aid?
- Types of Aid
- Free Application for Federal Student Aid (FAFSA®)
- Cost of attendance (COA)
- Student Aid Index (SAI)
- Categories, types, and sources of financial aid
- Financial aid terms to know
- FAFSA changes

WHAT IS FINANCIAL AID?

- Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses



TYPES OF FINANCIAL AID

NEED-BASED AND MERIT BASED

- **It is important to check with each college the student is interested in to find out what forms are required and used to determine financial need of the student.**
 - FAFSA (Free Application for Federal Financial Aid) – Foundation of the financial aid process – every school requires this form – must be completed on an annual basis
 - CSS College Profile Form – this form is used primarily by private colleges – (fee to complete) \$25 for first college and \$16 each additional
 - Financial aid applications created by the specific college
- **It is important to research now which forms each college requires and the deadlines for each form.**

IT'S ALL ABOUT THE FAFSA

- Free Application for Federal Student Aid
- A standard form that collects demographic and financial information about the student and family
- May be filed electronically or using paper form
- Required for all Federal Aid

WHO CAN GET FEDERAL STUDENT AID?

- U.S. citizen or permanent resident
- High school graduate/GED holder
- Eligible degree/certificate program
- Valid Social Security number
- Satisfactory academic progress in college/career school

COMPLETING THE FAFSA

- FAFSA on the Web – <https://studentaid.gov>
- Obtain FSAID (federal student aid password) at <https://studentaid.gov>
 - Each student and each parent (contributor) will need their own FSAID
- Fill out all parts of the FAFSA (make sure to answer all questions)
- **Available December 1, 2024 for 2025-2026 and uses 2023 federal taxes**
- Send all requested documents to the College/University your student has chosen
- Direct Data Exchange (DDX) between the Department of Education and the IRS to load tax data into the application. This is mandatory. Each person completing the FAFSA will only be able to see their own income data.
- Consent to share tax information is now required from every person completing the FAFSA.
 - If consent is not given or is withdrawn, the student is ineligible for financial aid.

StudentAid.gov Home

 An official website of the United States government.

Help CenterEnglish | Español

 UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾ Log In | Create Account 

You Are America's Smartest Investment

The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year.

Log In

Create Account

Considering School

I'm thinking about going to college or a career school.

In School

I'm in the process of earning a degree or certificate.

Parent

I want to help my child pay for college.

In Repayment

I have loans I need to repay.

Apply for Aid

 An official website of the United States government.

Help CenterEnglish | Español

FederalStudentAid
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UNDERSTAND AID ▾

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[Complete the FAFSA® Form](#)

[FAFSA Deadlines](#)

[Filling Out the FAFSA Form](#)

[Reviewing and Correcting Your FAFSA Form](#)

[Renewing Your FAFSA Form](#)

[Apply for a PLUS Loan](#)

[Apply for a Grad PLUS Loan](#)

[Apply for a Parent PLUS Loan](#)

[Endorse a PLUS Loan](#)

[Appeal a Credit Decision](#)

[Complete PLUS Credit Counseling](#)

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FAFSA® Form Welcome Page

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MANAGE LOANS ▾



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

FAFSA® Announcements

Planned Outage of FAFSA.gov and the FAFSA Feature Within the MyStudentAid Mobile App From April 10 to 11

The fafsa.gov website will be unavailable from 8 a.m. Eastern time (ET) on Saturday, April 10, 2021, through 1 p.m. ET on Sunday, April 11, 2021, for important system upgrades. During the outage period, users may access the myStudentAid mobile app, but the FAFSA feature within the myStudentAid mobile app will not be available. We appreciate your patience as we

Role Selection

Welcome to the FAFSA® Form

Tell us about yourself.

[? Help](#) [↔ Exit FAFSA Form](#)

☐

I am a student and want to access the FAFSA form.

☐

I am a parent filling out a FAFSA form for a student.

☐

I am a preparer helping a student fill out his or her FAFSA form.



THE FSA ID – WHO NEEDS ONE AND HOW TO CREATE

- Used for FAFSA completion and access to certain U.S. Department of Education websites
- Student and parent must create own FSA ID
- May be used throughout financial aid process, including subsequent school years
- Only the owner should create an FSA ID

Create an Account

Whether you're a student, parent, or borrower, you'll need to create your own account to apply for, receive, and manage your federal student aid.

[Get Started](#)

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

What You Can Do With Your Account

You must have an account to do the following:

- Fill out the *Free Application for Federal Student Aid* (FAFSA®) form online
- Complete other online forms (such as the *Master Promissory Note*) required to receive aid
- Review the federal student aid you've received

What You'll Need

- Your Social Security number (if applicable)
- Your own email address

DEPENDENT/INDEPENDENT STUDENTS

- Independent Students are students who **can** answer yes to one of the following:
 - Student is at least 24 years old
 - Student is a graduate or professional student
 - Student is married
 - Student is supporting children
 - Student is an orphan or ward of court
 - Student is a veteran of the U.S. Armed Forces

WHO IS NOT THE PARENT (CONTRIBUTOR)?

FAFSA application must be completed by student and the student's biological or adoptive parents (contributors)

- If the student's biological parents are separated/divorced, the parent who provides the most financial support is listed on the FAFSA
- A remarried parent must include their spouse's (student's stepparent) income.

Parents (contributors) do not include:

- Grandparents (or others) who are supporting the student
- Foster parent
- Legal Guardians

FAFSA - HELPFUL

- **Which parent should be used if parents are not married?**
 - The parent who provides the most financial support
- **Who is Included in Family Size?**
 - Family members claimed on federal taxes and who parents will provide more than half of their support for
- **When you invite your parent be sure to use their FSA ID information exactly as it was set up. (Apt is different than apt.)**
- **If your parent of record is married and they filed their federal tax return for 2023, jointly, only one parent needs to complete the FAFSA.**
- **If your parents are not longer together and they filed a joint return in 2023, the parent of record should follow the instructions on Studentaid.gov on how to complete the FAFSA and break out their finances.**
- **If a parent does not have an SSN, parents can still apply for an FSA ID, it will just take longer to process. Do not use their tax ID #.**

FAFSA CONTRIBUTORS

- If independent student is married, spouse information is required as well
- Consent to transfer FTI from the IRS is required for ALL contributors
 - Including student, student's spouse (if applicable), parent, and other parent (if applicable)
- Students, parents, and preparers may start, complete, and submit a FAFSA

The screenshot shows the FAFSA 2024-25 interface for Student Raya Tran. The page is titled 'Understanding the FAFSA Form' and is page 2 of 4. The main heading is 'Contributors to the FAFSA Form'. There are two main sections: 'Parents or Spouses' and 'How to Invite'. The 'Parents or Spouses' section includes an icon of a couple and text explaining that their information is needed to determine if any contributors need to be identified. The 'How to Invite' section includes an icon of a person and text explaining that contributors need to log in with their own FSA ID to provide their information. Below these sections is a box titled 'Information or Documents You May Need' which lists: Tax returns, Records of child support received, Current balances of cash, savings, and checking accounts, and Net worth of investments, businesses, and farms. At the bottom are 'Previous' and 'Continue' buttons.

FAFSA[®] FORM 2024-25 Student Raya Tran

Understanding the FAFSA[®] Form
2 of 4

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

Previous Continue

SPECIAL CIRCUMSTANCES

The FAFSA is based on your 2023 federal tax information. There are various circumstances that may affect your financial situation such as:

- Change in employment
- Medical expenses not covered by insurance
- Student cannot obtain parent information
- One-time taxable distribution

Please contact the Financial Aid Office of the school you are considering to attend to discuss your situation. Financial Aid Offices have the option to complete a Professional Judgment to assist you with additional financial aid

*** A term to know

VERIFICATION

- Approximately 1/3 of all students are selected
- Some schools do 100% verification
- You may link your taxes to your FAFSA
- Documents will be requested to verify information on the FAFSA
 - Tax transcripts for parents and students
 - Verification worksheet
 - Sometimes W-2 Parents and Students

CSS COLLEGE PROFILE FORM

- CSS College Profile Form – this form is used primarily by private colleges – (fee to complete) \$25 for first college and \$16 each additional
- <https://cssprofile.collegeboard.org>

The screenshot shows the CSS Profile website homepage. At the top is a navigation bar with links: CSS Profile, About CSS Profile, Application Steps, Fee Waivers, Resources/IDOC, en Español, Contact Us, and FAQ. The main banner features a purple background with a photo of students walking. 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 this are two buttons: 'Sign in to Fall 2025/Spring 2026' and 'Sign in to Fall 2024/Spring 2025'. The footer contains four columns of information, each with an icon, a title, a brief description, and a button.

Check Participating Schools and Scholarships	Learn How to Apply	Information for Parents	BigFuture®
Review which colleges, schools, and scholarship programs use CSS Profile.	Review our step-by-step guide to completing your CSS Profile application.	Learn more about completing the CSS Profile as a parent, including as a noncustodial parent.	Need more information on paying for college? Learn more on BigFuture!
Learn More	Complete the Application	Information for Parents	BigFuture.org

TYPES OF FEDERAL AND STATE AID

“Free Money”

Loans-Student

Loans-Parent

Work Study

FEDERAL AID BREAK DOWN

- **Pell Grant** - maximum is \$ 7,395 for 2024-2025
- **FSEOG (Federal Supplemental Educational Opportunity Grant)** - neediest students
- **Direct Student Loans** - all students, repayment 6 months after student leaves school
 - **Subsidized** - Government subsidizes the interest
 - **Unsubsidized** - family subsidizes the interest
- **Parent Plus Loan** - repayment after second disbursement, credit check is done by federal Government.
- **Federal Work-Study** - depends on funds available at school

INSTITUTIONAL AID

- **Merit aid** - grades, extra-curricular activities, and information found on the college application. These amounts are awarded through the admission office.
- **Need-based aid** - Funds are awarded by the Financial Aid Office
 - Federal and state aid is based primarily on the FAFSA information
 - Institutional aid may be based on the FAFSA information as well as other institutional criteria.

STATE AID (MARYLAND PROGRAMS)

- **Senator** 
 - **Delegate** 
 - **Guaranteed Access Grant** 
 - **Educational Assistance Grant** 
- Contact Senator / Delegate
 - Determined by FAFSA

Deadline is **March 1**, FAFSA needed and list at least one MD School

MSFAA application is available to applications who are ineligible to receive federal aid using the FAFSA. Deadline is March 1.

www.MHEC.state.md.us

Student must go back in and accept award

Maryland Community College Promise Scholarship

- Up to \$5,000 to cover remaining tuition and mandatory fee expenses after Federal or State financial aid has been applied.
- Must complete high school/earn GED in Maryland
- 2.3 cumulative high school GPA required*
- Available for credit and non-credit programs
 - Minimum of six credits per semester required for credit programs
- Must be eligible for in-state tuition and fee rate
- Must include a community college on the FAFSA

*unless student graduated high school five or more years ago OR student earned a GED.



APPLYING FOR STATE FINANCIAL AID

Maryland College Processing System (MD CAPS)

- MDCAPS is the State of Maryland's financial aid system
- You must create a Student Login Profile and then click on the activation link in the message sent to your email account, which was provided when you created your account in MD CAPS
- To create a profile, log onto <https://mdcaps.mhec.state.md.us>
- The MDCAPS account can be created at any time
- Through your MD CAPS account you can monitor the status of your application and accept the awards offered by the State

OTHER FUNDING OPTIONS

- Alternative Loans
- Private lenders
 - Varying interest rates/terms/lenders/types
- Home Equity Loans

OUTSIDE SCHOLARSHIPS AND GRANTS

- Civic Organizations
- Check with your high school Guidance Counselors
- Varying amounts, due dates, criteria
 - www.fastweb.com
 - www.myscholly.com
 - www.scholarship.com
 - www.central-scholarship.org
 - www.gocollege.com
 - www.cffredco.org
 - www.wccf.net

COLLEGE BY COLLEGE

COST OF ATTENDANCE (BUDGET)

- There are 5 categories

- **Tuition and Fees**

- **Housing and Food plans**

- Books and Supplies
- Transportation
- personal expenses.



• Direct costs

The diagram consists of yellow lines that group the cost categories into two groups. A line from 'Tuition and Fees' and 'Housing and Food plans' connects to 'Direct costs'. Another line from 'Books and Supplies', 'Transportation', and 'personal expenses.' connects to 'Indirect costs'.

• Indirect costs

This total is what the Financial Aid Office
can award aid up to.

WHAT IS COST OF ATTENDANCE (COA)?

- Direct costs
 - (Tuition and fees, Housing and Food plans)
- Indirect costs
 - (Books & Supplies, Transportation, Personal Expenses)
- Cost of Attendance
 - Combination of direct and indirect cost
- Varies widely from college to college

PELL GRANT ELIGIBILITY

Pell grant eligibility is tied to family size and Adjusted Gross Income (AGI) reported on the federal tax return.

The maximum and minimum Pell amounts are determined by state of residency, income, family size and poverty guidelines.

The amount of Pell grant is prorated for less than full-time students in direct proportion to the number of credit hours of enrollment

*** A term to know

WHAT IS THE STUDENT AID INDEX (SAI)?

- Student Aid Income is an estimate of the amount a student and their family can afford to contribute to the student's college costs.
- The SAI is not the balance that the student owes to the college.
- The new formula increases the Income Protection Allowance (IPA), which is the percentage of income that will not be counted toward the student's SAI calculation.

*** Additional changes to FAFSA

- Family size is based on the number of dependents claimed on the tax return.
- Family farm value and small business (less than 100 employees) value is now reported.
- Students (or parents) financial assets reported if the value is \$60,000 or higher.
- Child support received is now reported as an asset.
- Contributions to retirement accounts (401k and 403b) are no longer reported as an asset.
- Most Individual Retirement Accounts (IRA) must be reported as an asset.
- Cash support is no longer reported on the FAFSA.
- The number of students in college is collected, but will not be used to determine eligibility.

*** A term to know

AWARD PACKAGE

All awarded funds from a college which include:

- Merit
- Federal
- State
- other Institution aid
- outside scholarships

*** A term to know

SATISFACTORY ACADEMIC PROGRESS

- Satisfactory Academic Progress (SAP) is required by all institutions. Students must maintain a certain GPA in order to keep their financial aid in subsequent semesters/years. Students must have a cumulative 67% passing rate.
- The GPA for institutional aid (merit awards) may be different from the federal requirements. Please check with the school you will be attending.

HELPFUL WEB SITES:

www.Studentaid.gov

www.mhec.state.md.us

www.mdcaps.mhec.state.md.us

www.studentloans.gov

THINGS TO REMEMBER

- Deadlines – Institutional and Scholarship deadlines may vary
- Available December 1, 2024 for 2025-2026 academic year
- March 1st – State of Maryland FAFSA deadline
- Keep a copy of your Student Submission Summary (processed FAFSA results)
- Notify the Financial Aid Office of special circumstances
- Apply for scholarships

QUESTIONS?

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Hood College

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