

Financing Your College Education

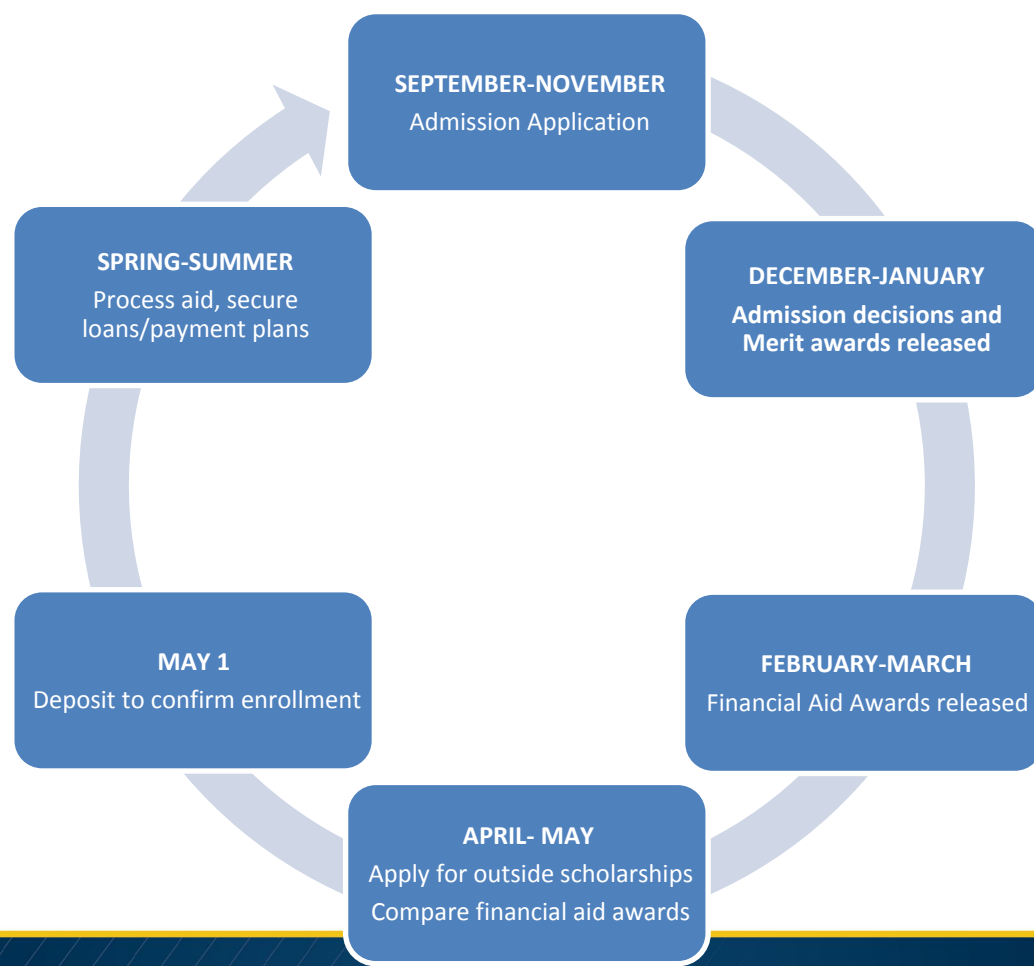
Inez Laureano

Senior Associate Director of Student Enrollment and
Financial Services

John Carroll University

Agenda

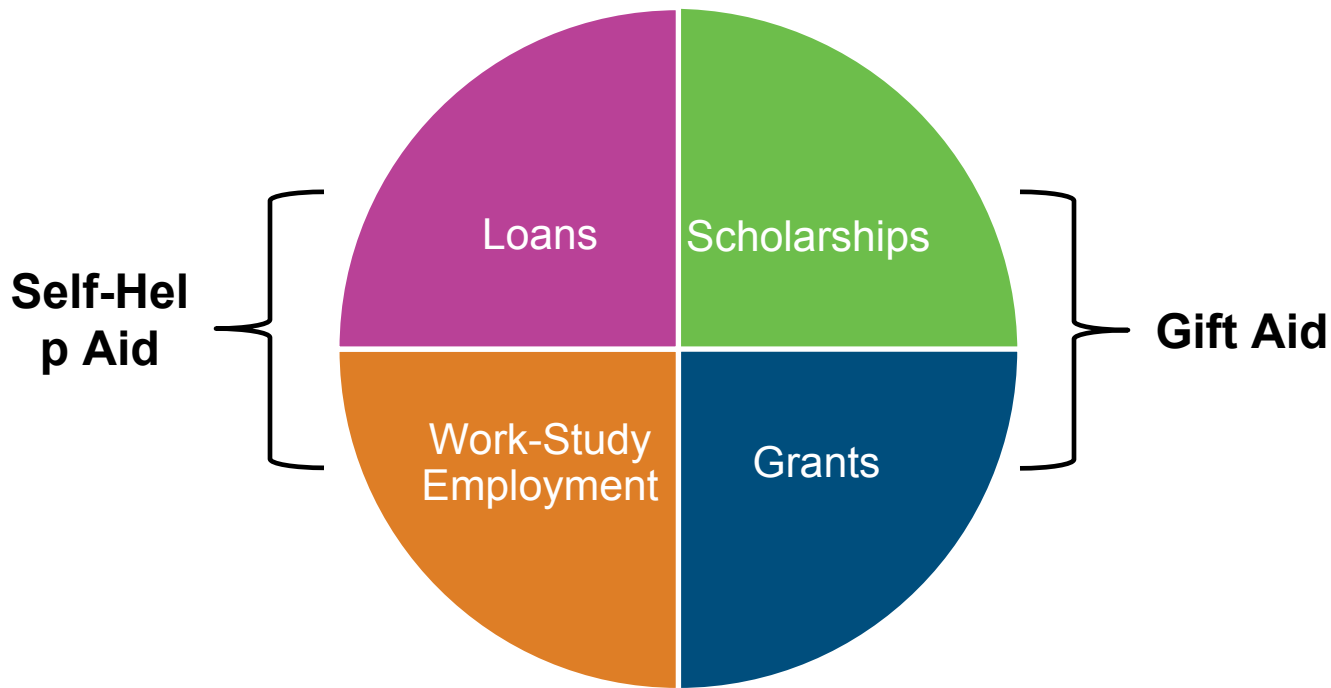
- The Financial Aid Process
- Timeline
- Categories of Aid
- Application Process
- Tips for Success



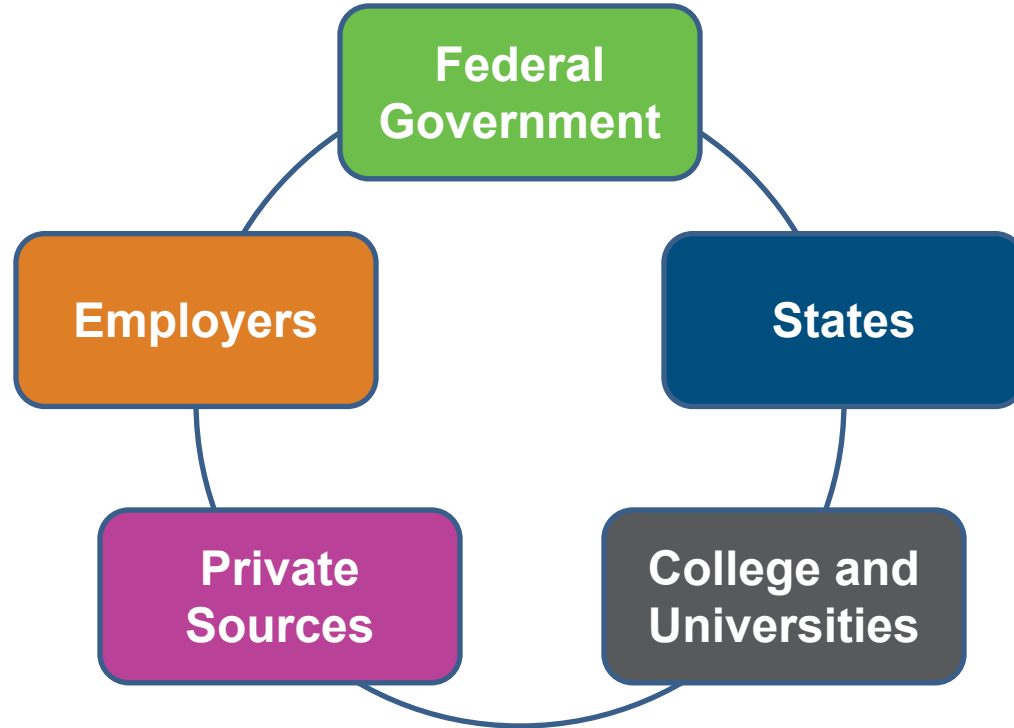
Categories of Financial Aid



Types of Financial Aid



Sources of Financial Aid



Eligibility Formula

$$\begin{aligned} &\text{Cost of attendance (COA)} \\ &- \text{Student aid index (SAI)} \\ &= \text{Financial need} \end{aligned}$$

Cost of Attendance

Direct Expenses(billed)

- Tuition
- Mandatory Fees
- Room
- Board

Indirect Expenses (not billed)

- Books and Supplies
- Transportation
- Personal Expenses



Student Aid Index (SAI)

- Calculated using data from a federal application form (FAFSA) and a federal formula
- Stays the same regardless of college
- Two components
 - Parent contribution
 - Student contribution
- Used at most institutions as indication of federal and state eligibility rather than the amount to be paid by the family

Calculating the SAI for a Dependent Student

- Student & Parent Income from “prior-prior year” (2024 for Fall 26 Freshmen)
- Taxes Paid
- Family Size
- Asset Equity (excludes home, qualified retirement accounts and Business and Farm Value) for parent and student
- Child Support received for all children in the household
- Value of 529 plan for applicant only



Federal Student Aid Programs

Federal Pell
Grant

Federal
Supplemental
Educational
Opportunity Grant
(FSEOG)

Teacher Education
Assistance for
College and Higher
Education (TEACH)
Grant

Federal
Work-Study
(FWS)

Federal Direct
Student Loans
(Direct Loans)

Federal PLUS
Loans

Federal Student Loans

Direct **Subsidized** and **Unsubsidized** Loans are two separate, unique types of loans that are awarded separately

Interest rates are calculated annually and are effective July 1st of each year based on the 10 year treasury note index plus 2.05%, capped at 8.25%

Subsidized	Unsubsidized
Need Based	Not Based on Financial Need
• In the student's name, no credit check or co-signer required • 10 year repayment term with a 6 month grace period after last term of enrollment • 6.39% interest rate for 2025-2026 • <i>Interest is subsidized while the student is in school and during deferment</i>	• In the student's name, no credit check or co-signer required • 10 year repayment term with a 6 month grace period after last term of enrollment • 6.39% interest rate for 2025-26 • <i>Interest begins accruing from disbursement can be paid quarterly or capitalized</i>

Class Year	Base Amount	Additional Unsubsidized Amount	Total Available to Borrow
Freshman	\$3,500	\$2,000	\$5,500
Sophomore	\$4,500	\$2,000	\$6,500
Junior	\$5,500	\$2,000	\$7,500
Senior	\$5,500	\$2,000	\$7,500

Parent(PLUS)/Private Loans

- PLUS
 - Federal Loan borrowed in Parent's name
 - 8.94% (2025-2026) Interest Rate-can be deferred while student is in school
 - Credit check required
 - Annual maximum of \$20,000 and an aggregate limit of \$60,000
 - Denial allows for additional unsubsidized loan in student's name
- Private Loans
 - Require credit check as well as debt to income calculation
 - Student borrower will require a cosigner

Student Employment

- Allows student to earn money to help pay educational costs
 - A paycheck; or
 - Nonmonetary compensation, such as room and board
- Student may opt whether or not to work or number of hours to work
- Great opportunity for engagement, time management and career building skills

State Aid

Residency requirements usually apply

Aid may be provided based on both merit and need. State of Ohio information can be found at <https://highered.ohio.gov/educators/financial-aid/sgs/sgs-overview/sgs-overview>

Use information from the FAFSA and/or state aid applications

Deadlines vary by state

Colleges and Universities

Aid provided based on both merit and financial need

Aid may be gift aid or self-help aid

Use information from the FAFSA and/or institutional applications

Deadlines and application requirements vary by institution

Private Sources

Foundations, businesses, churches, civic,
and charitable organizations

Deadlines and applications procedures
vary

Begin researching private sources early
[Fastweb](#); [Scholly](#); [College Board](#); [College Now Greater Cleveland](#)

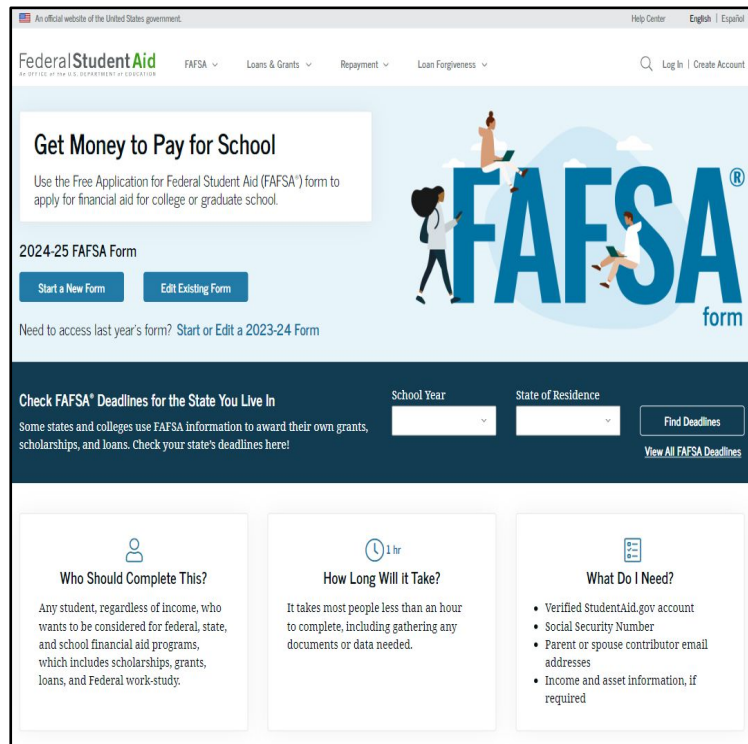
Application Process

- **Institutional Applications**
 - Admission application/scholarship applications
- **Free Application for Federal Student Aid (FAFSA)**
 - Used by ALL schools to determine federal/state and in most cases institutional aid
- **PROFILE---College Scholarship Service (CSS)**
 - Used by selective schools to collect greater detailed information to inform awarding of institutional aid

Free Application for Federal Student Aid (FAFSA)

FAFSA® Application | Federal Student Aid

- Confirm with individual colleges for preferred deadline
- A standard form that collects demographic and financial information about the student and family
- Information used to calculate the Student Aid Index (SAI)
- Colleges may set FAFSA priority dates



The screenshot shows the official FAFSA website. At the top, it says "An official website of the United States government." and "Help Center English Español". The main header includes "FederalStudentAid" and navigation links for "FAFSA", "Loans & Grants", "Repayment", and "Loan Forgiveness". There is a search bar and links for "Log In" and "Create Account".

The main content area features a large blue banner with the text "Get Money to Pay for School" and "Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college or graduate school." Below this, it says "2024-25 FAFSA Form" and has two buttons: "Start a New Form" and "Edit Existing Form". A note says "Need to access last year's form? Start or Edit a 2023-24 Form".

Below the banner is a section titled "Check FAFSA® Deadlines for the State You Live In". It includes a "School Year" dropdown, a "State of Residence" dropdown, and a "Find Deadlines" button. A link "View All FAFSA Deadlines" is also present.

The bottom section has three columns:

- Who Should Complete This?** Any student, regardless of income, who wants to be considered for federal, state, and school financial aid programs, which includes scholarships, grants, loans, and Federal work-study.
- How Long Will it Take?** It takes most people less than an hour to complete, including gathering any documents or data needed.
- What Do I Need?**
 - Verified StudentAid.gov account
 - Social Security Number
 - Parent or spouse contributor email addresses
 - Income and asset information, if required

Account Username and Password (FSA ID)

Apply at <https://studentaid.gov/fsa-id/createaccount/launch>

- Used for FAFSA completion and access to certain U.S. Department of Education websites
- Student and parent(s) must create their own distinct FSA ID
- May be used throughout financial aid process, including subsequent school years
- Only the owner should create an FSA ID
- Do not use high school email address
- Distinct email must be used for each individual
- Make sure to keep a record for each contributor

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 You Can Use Your Account For

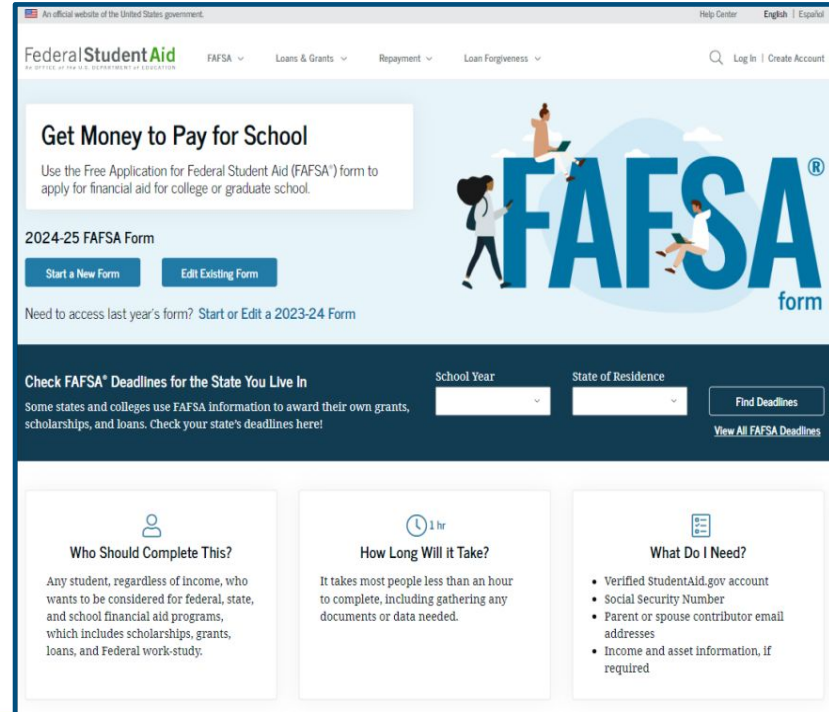
- Filling out the *Free Application for Federal Student Aid* (FAFSA®) form
- Signing your *Master Promissory Note* (MPN)
- Applying for repayment plans
- Completing loan counseling
- Using the *Public Service Loan Forgiveness Help Tool*

What You'll Need

- Social Security number
- Your own mobile phone number and/or email address

Preparation

- FSA ID for student and parents need to be obtained at least 3 days prior to completing the FAFSA
- Process is estimated to take an hour to complete
- Documents needed:
 - Social Security Number for student
 - 2024 completed tax returns
 - Asset and investment information
 - Records of Child Support received
 - Parent (s) email and date of birth and social security number



The screenshot shows the Federal Student Aid (FAFSA) website. At the top, it says "An official website of the United States government." and "FederalStudentAid". Below this, there's a navigation bar with links for "FAFSA", "Loans & Grants", "Repayment", and "Loan Forgiveness". The main heading is "Get Money to Pay for School", followed by the text "Use the Free Application for Federal Student Aid (FAFSA) form to apply for financial aid for college or graduate school." Below this, there's a section for the "2024-25 FAFSA Form" with buttons for "Start a New Form" and "Edit Existing Form". A note says "Need to access last year's form? Start or Edit a 2023-24 Form". To the right, there's a large graphic of the "FAFSA form" logo with illustrations of students. Below the main heading, there's a section for "Check FAFSA* Deadlines for the State You Live In" with dropdown menus for "School Year" and "State of Residence", and a "Find Deadlines" button. At the bottom, there are three boxes: "Who Should Complete This?" (Any student, regardless of income, who wants to be considered for federal, state, and school financial aid programs, which includes scholarships, grants, loans, and Federal work-study.), "How Long Will it Take?" (It takes most people less than an hour to complete, including gathering any documents or data needed.), and "What Do I Need?" (Verified StudentAid.gov account, Social Security Number, Parent or spouse contributor email addresses, Income and asset information, if required).

FUTURE Act Direct Data Exchange (FA-DDX)

- Allows for an individual's federal tax information (FTI) to be directly transferred from the IRS to the FAFSA
- Consent is required by all contributors on FAFSA
- IRS transfers information to populate FAFSA income questions for most tax filers
- Eliminates manual entry of tax and income information

FAFSA BASICS

- Social Security Numbers
- Income earned by parents/stepparents
- Household size vs Dependents listed on tax return
- Real estate and investment net worth
- Divorced/remarried parental information

Student Dependency Status

FAFSA[®] FORM 2026-27 Student Alex Tran Save FAFSA Menu

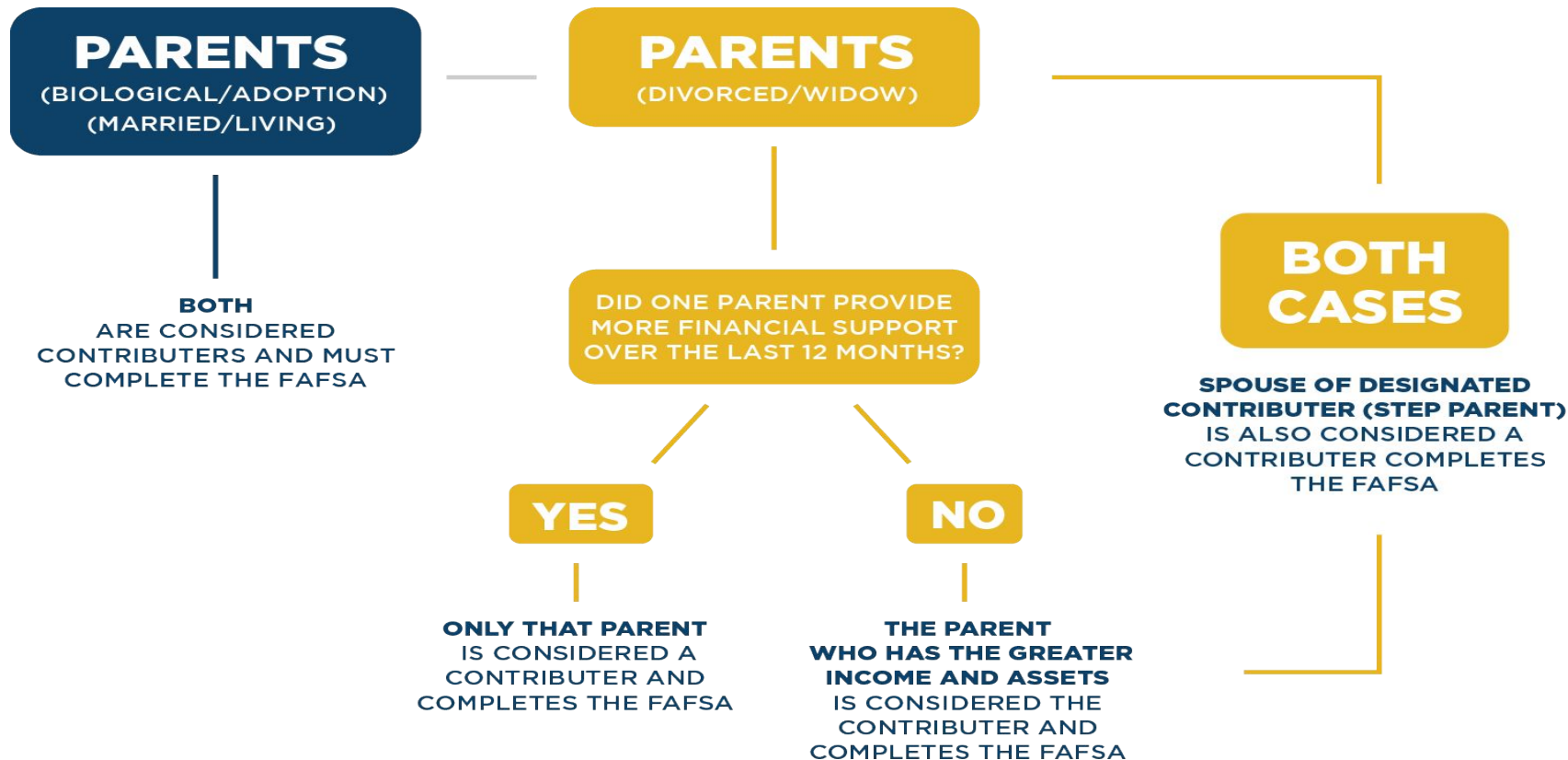
1 Personal Circumstances 2 Demographics 3 Financials 4 Colleges 5 Contributor Invite 6 Signature

Student Personal Circumstances

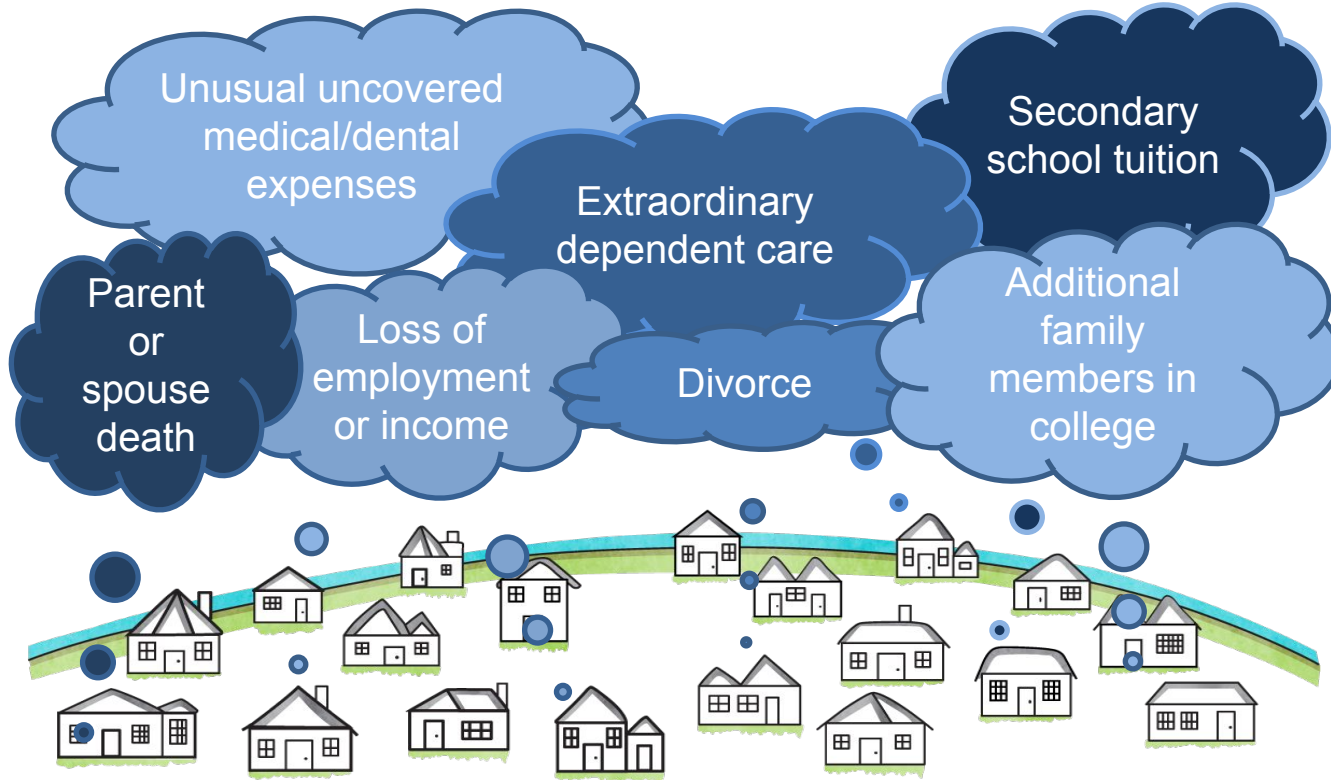
Select all that apply or "None of these apply."

- ☐ The student is currently serving on active duty in the U.S. armed forces for purposes other than training. ⓘ
- ☐ The student is a veteran of the U.S. armed forces. ⓘ
- ☐ The student has children or other people (excluding their spouse) who live with them and receive more than half of their support from the student now and between July 1, 2026, and June 30, 2027. ⓘ
- ☐ At any time since the student turned 13, they were an orphan (no living biological or adoptive parent). ⓘ
- ☐ At any time since the student turned 13, they were a ward of the court. ⓘ
- ☐ At any time since the student turned 13, they were in foster care. ⓘ
- ☐ The student is or was a legally emancipated minor, as determined by a court in their state of residence. ⓘ
- ☐ The student is or was in a legal guardianship with someone other than their parent or stepparent, as determined by a court in their state of residence. ⓘ
- ☒ None of these apply.

Previous Continue



Special Circumstances



Special Circumstances

- Different than unusual circumstances (dependency overrides)
- Unique conditions exist that cannot be documented with the FAFSA, or circumstances have changed since filing
- Student should contact institution's financial aid office for more information after FAFSA has been submitted
- Verification of FAFSA may be required
- Decisions are final and cannot be appealed to U.S. Department of Education

FAFSA Completion

- Start with the student
 - Complete Demographic and Financial Sections
 - Indicate the schools the FAFSA should be sent to (up to 20)
 - Student will invite contributors (parents)
- Parents will receive an email invitation granting them access to the application to complete their section of Demographic and Financial Information
 - ****If a joint tax return is matched, only one parent needs to complete the form; if separate tax returns are filed BOTH parents will need access to the form
- Student and Parent will “sign” the FAFSA with the FSA ID and submit
- Students will receive an immediate confirmation confirming application has been processed with SAI ***OR if additional information is needed
- Schools you indicated will receive the results and additional transactions or corrections

Awarding Process

$$\text{Need Calculation} = \text{COA} - \text{SAI} - \text{OFA}$$

- Schools will match your FAFSA to your Admission Application
- Your Financial Need will be calculated to determine your full award
- Your award will include all opportunities for aid and detail the amount, source and type of aid

TIPS FOR SUCCESS

- Start early and ask questions
- Estimators
- Know the importance of deadlines
- Read everything—Do your research and make connections
- Don't assume you don't qualify
- Compare apples to apples-understand the make-up of an award
- Involve the student

QUESTIONS

