McDANIEL COLLEGE

An Introduction to Financial Aid

Financial Aid Key Terms

- FAFSA
- FSA ID
- Student Aid Index
- Federal Aid
  - Loans and Grants
  - Federal Work Study
- State Aid
- Private Aid
- Merit Aid
- Need-based Aid
- Financial Aid Offer Letter
- Cost of Attendance
  - Direct and Indirect Charges

What Is Financial Aid?



- Money to help pay for college or career school. Grants, work-study, loans and scholarships help make college or career school more affordable
- Students can use various forms of financial aid to help them finance their education
- Sources of financial include Federal Aid, State Aid, Institutional Aid, and Private Aid

2026-2027 FAFSA

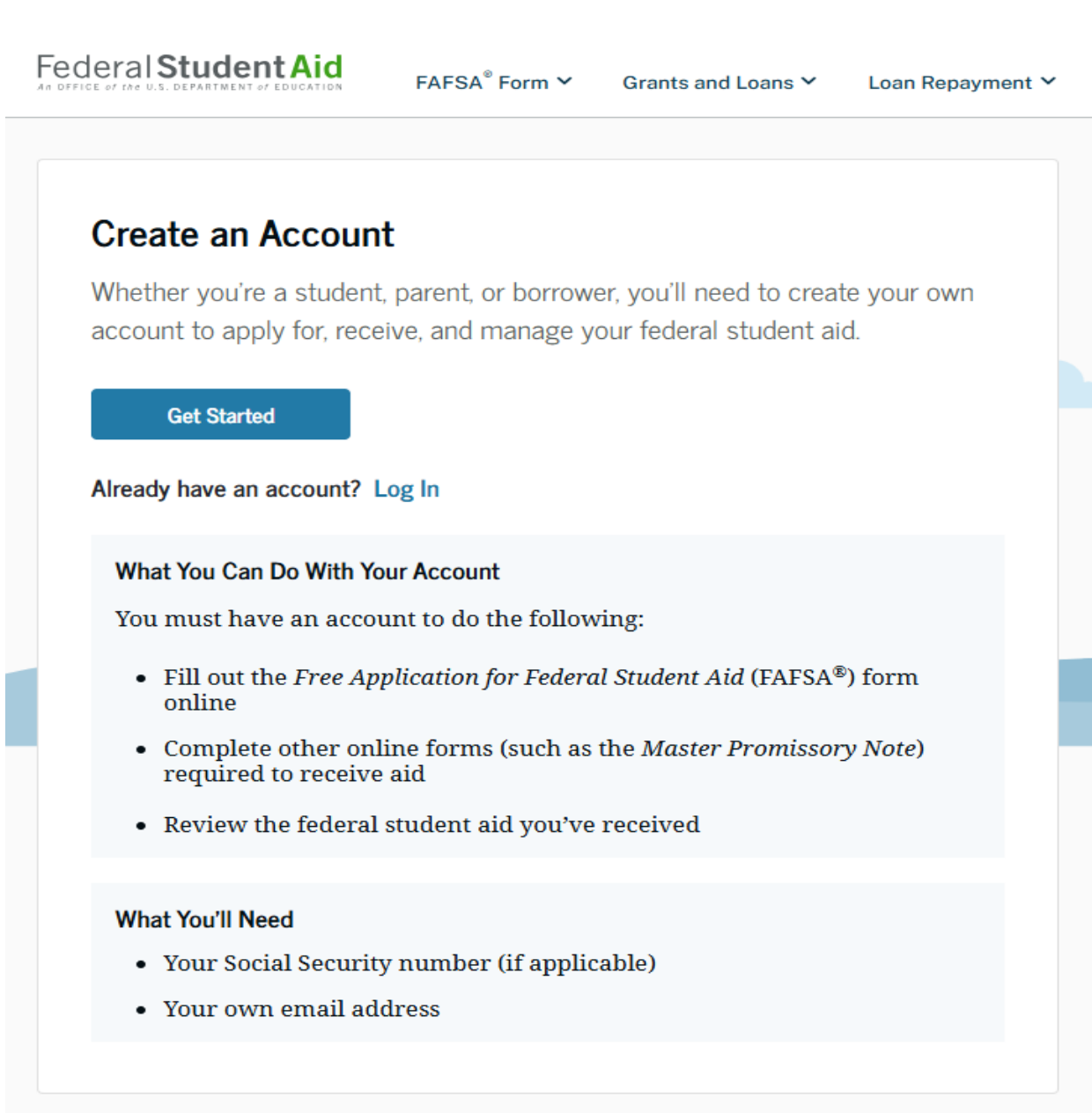
- **Available October 1st**
- Request FSA ID for student and parent (Takes about 3 business days)
- Based on tax information from 2024 (prior, prior year)
- Report marital status/assets as of the day the FAFSA is filed
- Calculates Student Aid Index (SAI)
  - Helps institutions determine how much need-based financial aid students may be eligible for
  - Can range from -1,500 to 999,999

Federal Student Aid Eligibility Requirements

- **Eligible U.S citizen or eligible non-citizen**
- Must be enrolled or accepted for enrollment in an eligible degree seeking program
- Demonstrate financial need
- Maintain Satisfactory Academic Progress (SAP)
  - Maintain a 2.0 GPA

FSA ID

- Sign FAFSA electronically
- Will be used by contributors every year
  - Contributors are the student, the student's spouse, their biological or adoptive parent, or a parent's spouse
- Only the owner of the FSA ID should create their FSA ID
- Who needs to be on the FAFSA?
  - https://studentaid.gov/fafsa-apply/parents
- Be sure to store this information for the future!



Need and Merit Aid: What is it?

- **Need-Based Aid**
  - Financial aid awarded to students based on their demonstrated financial need
  - Financial need is determined by subtracting the SAI from the Cost of Attendance
  - Can qualify students for additional aid at the Federal, State, Private, and Institutional level
- **Merit-Based Aid**
  - Financial aid awarded to students based on a student's achievements
    - GPA/ACT/SAT
    - Community Service and Leadership Experience
    - Athletics
    - Other academic merits

Types of Federal Aid: Loans

- **Federal Direct Subsidized Loan**
  - This type of loan is for undergraduate students with financial need
  - Does not accrue interest while in school
- **Federal Direct Unsubsidized Loan**
  - Not based on financial need
  - Begins accruing interest while student is enrolled in school.
- **Federal Parent Plus Loan**
  - This type of loan is for parents of dependent undergraduate students
  - Interest will accrue while the student is enrolled in school

Types of Federal Aid: Grants

- **Federal Pell Grant**
  - Need-based grant provided to students
  - Up to $7,395 per academic year (25-26)
- **Federal Supplemental Educational Opportunity Grant:**
  - Funds allocated to college/universities to provide to students with exceptional financial need
- **TEACH Grant**
  - Up to $4,000 grant to students who plan to pursue a career in teaching
  - Must complete an agreement to teach in a low-income/high need school, failure to meet agreement will turn the grant to an unsubsidized loan with interest

Types of Federal Aid: Work Study

- Provides part time jobs for undergraduate students with financial need, allowing students to earn money to help pay for their education
- On-campus or off-campus positions
- Earn at least current federal minimum wage
- Hours are dependent on the position availability and office needs

State Financial Aid: MD Higher Education Commission (MHEC)

- Main website: **mhec.maryland.gov**
- Financial aid awarded to student by the state of MD for MD state residents attending a MD school (public or private)
- Requires students to submit a FAFSA/MSFAA by **March 1st**
- Offers both Need Based and Merit opportunities
  - Legislative Scholarships (Merit)
  - Teaching Fellows (Merit)
  - Guaranteed Access Grant (Need)

MHEC
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Types of Financial Aid: Private and Institutional

- **Private Aid**
  - Outside scholarships/Grants Fellowships
  - Alternative Loans
    - Sallie Mae, College Avenue, Ascent, PNC Bank, Navy Federal Credit Union, etc.
- **Institutional Aid**
  - Financial aid provided to a student upon admission to a college
  - Need-based grants/aid
  - Merit Scholarships
  - Generally renewable if academic standards are met
- **Each college is different, so be sure to do your research!**

Financial Aid Timeline

- **Summer/Early Fall of Senior Year**
  - Create FSA ID (student and parent)
  - Research colleges, outside scholarships opportunities and deadlines
- **October 1st of Senior Year**
  - The FAFSA opens
- **Fall/Winter of Senior Year**
  - Submit college applications
  - Contact the college's financial aid office for any questions you may have
  - Financial Aid Offer Letters
- **Spring/Summer Senior Year**
  - March 1st- Deadline to submit FAFSA for Maryland State Aid eligibility
  - May 1st- National Deposit Day
  - Fall semester payment due

Financial Aid Offer Letter

- Tells you what financial aid you can receive at a particular college or career school. It will typically include your Institutional aid and federal aid (if you completed a FAFSA)
- Includes your estimated charges for the academic year
- If you have applied to several schools, be sure to compare aid offers to see which school is more affordable
- Does not include outside scholarships or state aid, as they are awarded by an outside organization
- Final offer vs. Estimated offer

Cost of Attendance

- The COA is the sum of direct and indirect charges a student will accrue while at an institution
  - Direct: Room & board, tuition, additional class fees
  - Indirect: Books and other materials for class, transportation, personal charges, overall living expenses
- What does this mean?
  - Financial aid cannot exceed educational costs
  - Example: If the COA is $60,000, the maximum amount of aid is $60,000
- Can my COA change?
  - Yes! Moving off-campus, different meal plans, different rooms, SASS, etc. can all effect the COA and the amount of aid a student can receive

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