

Financial Aid 101: Planning for your Child's Educational Expenses

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Goals for Tonight

- What are common financial aid terms?
- What is financial aid?
- How does the financial aid process work?
- What is “need-based” financial aid?
- How do I know if my student will qualify?
- What kind of financing options are available?
- What forms are involved?
- Where can I get free, reputable information?

Common Financial Aid Terms

- | | |
|----------|---------------|
| ••FAFSA | •SEOG |
| ••FSA ID | •Subsidized |
| ••SAR | •Unsubsidized |
| ••EFC | •PLUS |
| ••MPN | •TAP |
| ••SAP | •DRT |

What is Financial Aid?

- ◎ **Scholarships (“gift”)**
 - > Money that does not have to be paid back, awarded on the basis of merit or skill (no FAFSA required).
- ◎ **Grants (“gift”)**
 - > Money that does not have to be paid back, awarded on the basis of financial need (FAFSA required).
- ◎ **Loans (“self-help”)**
 - > Money students and parents borrow to help pay educational expenses.
- ◎ **Employment (“self-help”)**
 - > Money students earn to help pay educational costs.

Sources of Money for College

- ◎ **Federal Government** (Pell Grant, Direct Loans, Work-study)
- ◎ **State Government** (TAP)
- ◎ **Colleges & Universities** (scholarships and grants)
- ◎ **Private organizations** (scholarships)

Cost of Attendance

Tuition and Fees

+Room and Board

Total Direct Charges

Books and Supplies

+Transportation and Personal

Estimated Personal Expenses

Expected Family Contribution

- ◎ The formula used to calculate the Expected Family Contribution is determined by law and includes, among many other data items, the following components:
 - Parent's prior-prior year income**
 - Student's prior-prior year income**
 - Current value of parents' assets
 - Current value of student's assets
 - The number of household members
 - The number of household members (excluding parents) attending college at least half time
 - The age of the older parent

Basic Financial Aid Formula

\$ Cost of Attendance

- \$ Family Contribution

\$ Financial Need

For Financial Aid Eligibility:

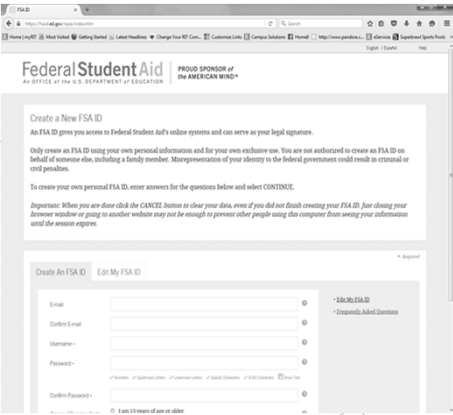
- Family contribution is a constant
- Cost of education is variable

Family Contribution the Same

	State College	Community College	Private College
⊙Cost	\$40,000	\$20,000	\$55,000
⊙EFC	-10,000	- 10,000	-10,000
⊙Need	\$30,000	\$10,000	\$45,000

FSA ID

- Sign FAFSA electronically
- Not required, but speeds processing
- Will be used by students and parents throughout aid process, including subsequent school years
- Write it down 😊



FAFSA on the Web

- ⦿ Web site: www.fafsa.gov
- ⦿ File FAFSA application every year (October 1)
 - ⦿ *Beware – two years of FAFSA are available at this time*

NYS TAP

- ⦿ Web site: www.tapweb.org
- ⦿ File TAP application every year (October 1)
- ⦿ TAP application may ask for student ID number

NYS Student Aid Payment Application

Si desea llenar la versión en español de la solicitud, [pulse aquí](#).

Welcome to the *New York State Student Aid Payment Application!* This online application process allows you to apply for New York State's Tuition Assistance Program (TAP), as well as for payment of a scholarship for which you have already been approved.

To complete your online application, you must first create a user name and personal identification number (PIN). [Click here](#).

You must submit a FAFSA application to receive payment for TAP. If you have not submitted a FAFSA, go to <https://fafsa.gov>

If you have any questions, click the **Contact Us** link above.

myStudentAid Mobile App



- Mobile ability to begin, complete, save, and submit the FAFSA

When do I apply?

Year in high school as of 2020-2021	When attending college?	When FAFSA can be done	Income tax information used
Senior	2021-2022	October 1, 2020	2019
Junior	2022-2023	October 1, 2021	2020
Sophomore	2023-2024	October 1, 2022	2021
	2024-2025	October 1, 2023	2022
	2025-2026	October 1, 2024	2023
	2026-2027	October 1, 2025	2024

IRS Data Retrieval Tool

- ⦿ Imports appropriate tax-year info directly into FAFSA for students and parents
- ⦿ Reduces data entry errors
- ⦿ Reduces additional paperwork submitted to financial aid offices
- ⦿ Taxpayer info **MUST MATCH** original tax return
 - > For example, if you live on Main Street and you abbreviated it Main St., you must enter Main St. when you are using the DRT

Merit Scholarships

- ⦿ Offered by colleges and universities; separate from need-based grants
- ⦿ Amounts vary– compare to direct charges
- ⦿ Ask about:
 - Selection criteria
 - Application process
 - Renewal terms and conditions

Special Circumstances

- ⦿ ➤ Cannot report on FAFSA – just a processor
- ⦿ ➤ Send explanation to financial aid office at each college
- ⦿ ➤ College will review and may request additional documentation

- ⦿ ➤ Examples:
 - Loss of job/significant change in family income
 - Care of elderly parent
 - Change in employment status
 - Private school tuition for dependent student
 - Daycare or unusual dependent care expenses
 - Medical/dental expenses not covered by insurance
 - Change in parents' marital status after initial FAFSA filing

College Financing Options

- ⦿ Federal Direct Parent Loan (PLUS Loan)
- ⦿ “Unsubsidized” Direct Student Loan
- ⦿ Payment Plans
- ⦿ IRS 529 Plans
- ⦿ Cooperative Education
- ⦿ Military resources
- ⦿ Outside scholarships
- ⦿ Summer employment

Aid Information on the Web

Nazareth Financial Aid Office

● <https://www2.naz.edu/tuition-aid/>

● New York State

● <https://www.hesc.ny.gov/>

● FinAid! The SmartStudent Guide to Financial Aid

● www.finaid.org

● Rochester Community Foundation

● <https://www.racf.org/Scholarships/How-to-Apply-or-Renew>

● Department of Education - FAFSA on the Web

● www.fafsa.gov

Need FAFSA Help?

● Fall FAFSA-thons

● Email me directly for more information

Contact Information

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