



Financial Aid 101: What You Need to Know

Office of Financial Aid

Open House

November 8, 2020

Agenda

- How much does college cost?
- How/when do I apply for aid?
- Common FAFSA mistakes
- How is financial need determined?
- What kind of sources of financial aid are there?
- Q&A



How Much Does College Cost?

Cost of Attendance (COA) includes:

- Tuition and Fees
- Room and Board
- Books and Supplies
- Transportation
- Personal Expenses / Miscellaneous



Do The

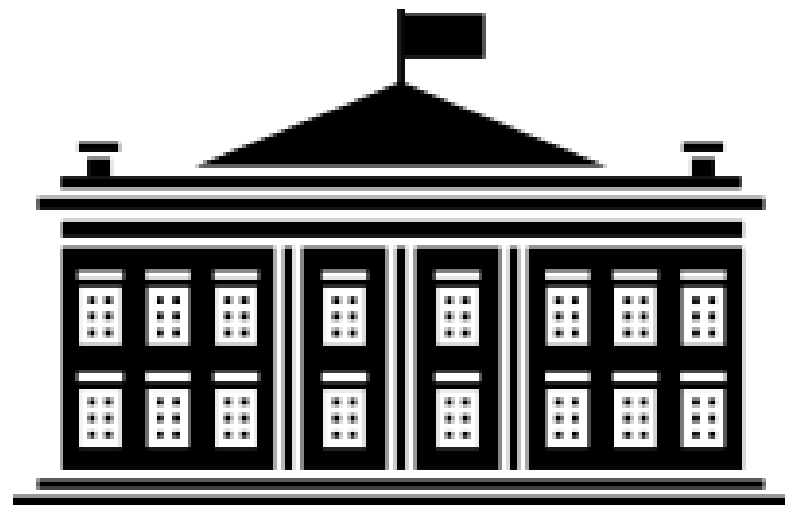
FAFSA

THE EARLIER THE BETTER

What information is needed to be collected?

- Student and Parent(s) SSN and DOB
- Parent(s) Marital Status (as of filing date)
- 2019 Student/Parent Federal Tax Returns
- 2019 Student/Parent W2's
- Records of untaxed income (i.e. bank accounts, stocks, bonds, real estate/business records)
- Student's Driver's License Number
- Student's Alien Registration Number (if non-citizen)
- FSA ID for Student and one Parent





FAFSA Facts

FIND OUT YOUR FAFSA® DEADLINES



Sample dates used above

What does it stand for?

FREE Application for Federal Student Aid
studentaid.gov or fafsa.gov

What is it?

The gateway for a student's *federal* financial aid eligibility, triggers TAP application

Who can apply?

All U.S. Citizens and eligible non-citizens

When do you apply?

Now! The Application for 2021-2022 was available on **October 1, 2020.**

Applicants should also apply for admission and financial aid at any school(s) they are considering attending. Some schools have stand-alone or external financial aid applications, such as the CSS PROFILE.

How to Create an FSA ID

including but not limited to: payment reductions, debt consolidation or applying for aid. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

Important: When you are done click the CANCEL button to clear your data, even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.

Create an FSA ID Manage My FSA ID

Please enter your:

E-mail

Confirm E-mail

Username

Password

Confirm Password

Numbers Uppercase Letters Lowercase Letters Special Characters 8-30 Characters Show Text

[CONTINUE](#)

This is a U.S. Federal Government owned computer system, for the use by authorized users only. Unauthorized access includes, but is not limited to: any access by an employee or agent of a commercial entity, or other third party, who is not the individual authorized user, for purposes of commercial advantage or private financial gain (regardless of whether that commercial entity or third party is providing a service to an authorized user of the system); and any access in furtherance of any criminal or tortious act in violation of the Constitution or laws of the United States or of any State. Unauthorized access violates Title 18, U.S. Code Section 1030 and other applicable statutes. Violations are punishable by civil and criminal penalties. Use of this system implies consent to have all activities on this system monitored and recorded, which can be provided as evidence to law enforcement officials.

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Click the question mark next to each field to get more information.

IRS Data Retrieval Tool (DRT)

- Available October 1, 2020 for the **2021-2022 FAFSA**
- Transfer 2019 tax data (“prior prior year”)
- Transferred information is masked on FAFSA
 - *“Information Transferred from the IRS” notation on FOTW and SAR*

The screenshot displays the FAFSA application progress bar at the top, with steps: Student Demographics, School Selection, Dependency Status, Parent Demographics, Parent Financials, Student Financials, Sign & Submit, and Confirmation. The 'Student Financials' step is currently active.

Below the progress bar, a green notification box states: "Application was successfully saved."

Two informational boxes follow:

- Informational box: "Because the FAFSA belongs to the student, 'you' and 'your' always (unless otherwise noted) refer to the student."
- Attention box: "Attention! You must provide financial information from your 2018 tax return on the following pages."

Three dropdown menus are visible:

- Question: "For 2018, have you completed your IRS income tax return or another tax return?"
Selected: "Already completed"
- Question: "What income tax return did you file for 2018?"
Selected: "IRS 1040"
- Question: "For 2018, what is your tax filing status according to your tax return?"
Selected: "Single"

A dark blue section titled "IRS Data Retrieval Tool" contains the text: "Applying is faster and easier if you transfer your tax return information into this FAFSA with the IRS Data Retrieval Tool (IRS DRT)." Below this text, a large red arrow points to a button labeled "LINK TO IRS" with an external link icon.

At the bottom right, there are "PREVIOUS" and "NEXT" navigation buttons.

Helpful Tip

- You will need to manually enter wages from W2 forms
- W2 information does not transfer over from IRS

Form **W-2** Wage and Tax Statement **2019**
Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Department of the Treasury—Internal Revenue Service

a Employee's social security number		OMB No. 1545-0008			
b Employer identification number (EIN)		1 Wages, tips, other compensation	2 Federal income tax withheld		
c Employer's name, address, and ZIP code		3 Social security wages	4 Social security tax withheld		
		5 Medicare wages and tips	6 Medicare tax withheld		
		7 Social security tips	8 Allocated tips		
		9	10 Dependent care benefits		
d Control number	e Employee's first name and initial Last name		Suff.	11 Nonqualified plans	12a See instructions for box 12
f Employee's address and ZIP code		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b		
		14 Other	12c		
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Don't get scammed on your way to college!

Consumer Complaints are mainly about business practices:

- College prep/financial aid advice services
- FAFSA for a fee

Be aware of tactics used to convince students (and parents) to buy services:

- *“If you use our services, you’re guaranteed to get at least \$2,000 in student aid for college, or we will give you your money back.”*
- *“Applying for financial aid is complicated. We are the only ones who can help you through the process and find all the aid for which you are eligible.”*
- *“We’d like to offer you a scholarship or grant. All I need is your bank account information so the money can be deposited and a processing fee charged.”*

****Contact your nearest College Financial Aid Office if you have questions regarding the legitimacy of any offer****

Don't Get Stung!
Why pay for advice on federal student aid?
Information is free. Applying is free.



Free advice is available from:

- ✓ a high school counselor
- ✓ a college financial aid administrator
- ✓ the Federal Student Aid Information Center at 1-800-4-FED-AID (TTY: 1-800-730-8913)

Student Financial Assistance  U.S. Department of Education
www.ed.gov/studentaid

Am I Independent or Dependent?

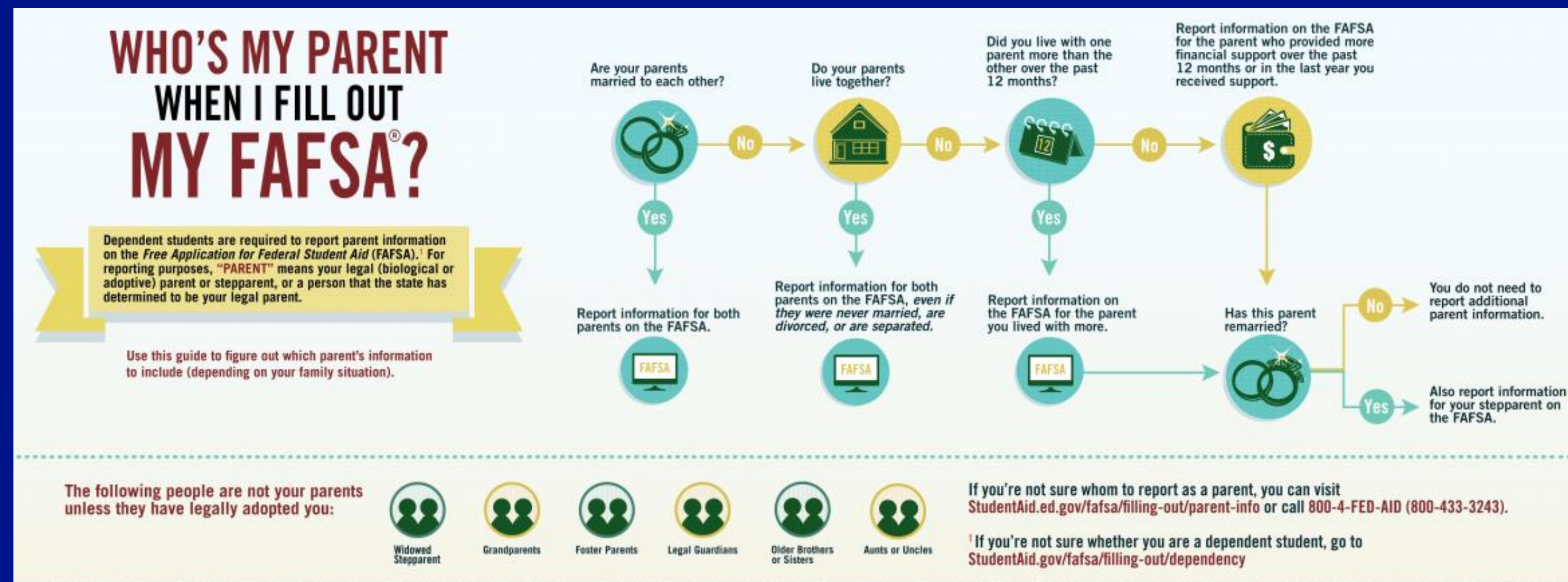
On the FAFSA, an applicant is considered a dependent student on their parent(s) unless:

- They are a veteran
- They are married
- They have children they support more than 51%
- They are an orphan, ward of the court, or in legal foster care since the age of 13
- They are 24 years of age or older as of 1/1/2021
- They are designated as homeless or an “unaccompanied minor” by a high school or other government agency

Who can be considered my parent on the FAFSA?

- Biological parent(s), adoptive parent(s), or stepparent (if custodial parent has remarried)
- In case of parents that are divorced or separated – residency with custodial parent – where does the student live for more than 50% of the previous 12 months

Claiming on taxes is not necessarily relevant



Common FAFSA Errors



Not filling out the FAFSA form as soon as it's available or by a school's preferred deadline.

- Some funds are first-come, first-served!

Not reading definitions correctly

- Legal guardianship vs. Parents vs. Custody
- Number in household and/or college
- Net worth of investments (NOT your residence!)


Not reporting correct information

- Providing parental information regardless of residency or support received if defined as "dependent"

Not using the IRS DRT

- Most accurate
- Facilities verification process

FAFSA Confirmation Page



Congratulations,

Your FAFSA was successfully submitted to Federal Student Aid.


Confirmation Number: F 10300007009 09/06/2018 15:04:30

Data Release Number ([DRN](#)):

What Happens Next

- You will receive an e-mail version of this page.
- In 3-5 business days, you will receive an e-mail notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

An abbreviated version of your confirmation page has been sent to you at the e-mail address:

[PRINT THIS PAGE](#) 

[Collapse All](#)

∨ **Estimated Expected Family Contribution (EFC) = 000000**

- The EFC is a measure of how much you can contribute to the cost of your education. Schools use your EFC to determine your federal student aid eligibility.
- The EFC is not how much aid you will receive or how much you have to pay for college.

Estimated Eligibility Information

- Based on the [eligibility criteria](#), you may be eligible for the following:
- [Pell Grant](#) Estimate - \$6,095.00
- [Direct Stafford Loan](#) Estimate - \$9,500.00
- You may also be eligible to receive other federal, state, or institutional grants, scholarships, and/or work-study.

In addition, you should learn about [federal tax benefits for education](#), including the American Opportunity Tax Credit (AOTC).

Completing the NYS TAP Application

- TAP (Tuition Assistance Program) uses demographic information directly from the FAFSA
- hesc.ny.gov or tapweb.org to access the TAP application directly
- Available to students who will attend FT to NYS schools (12+ credits)
- Specific income and eligibility requirements

The screenshot displays the Higher Education Services Corporation website. At the top, there is a navigation bar with links for 'Prepare', 'Pay', 'Repay', 'Contact', and 'Accommodation'. Below this, a green banner features two main calls to action: 'Have questions about your NYS grants or scholarships? Schedule a Call with HESC' and 'What you need to know about COVID-19 and your financial aid'. A central banner for the 'Senator José Peralta New York State DREAM Act' includes an 'APPLY NOW!' button. The main content area is divided into sections: 'Prepare' (with a 'START NOW' button), a navigation menu with icons for 'Why Go?', 'Checklist', 'Research', and 'Apply', 'Pay' (with a 'START NOW' button), and a section for 'All about TAP' which includes 'Types of Aid', 'Apply', and a 'FINANCIAL ADVISOR' tool. The bottom of the page features a 'FINANCIAL AID AWARD COMPARISON TOOL'.

Completing the NYS Excelsior Scholarship Application



New York's Promise to Students: Ever Upward

The Excelsior Scholarship, Making College Possible

- Full-time students attending CUNY and SUNY colleges may qualify
- Program covers up to \$5,500/year or **full tuition** (less other grants), but NOT fees or room and board
- There is a short window of opportunity to apply. Usually open **between March and August. That's it!**
- AGI income limits for family: **\$125,000** or less

Best Advice for Interested Students

Sign up

Review Information

FAQ's regarding the application

at **hesc.ny.gov/excelsior**





Senator José Peralta New York State DREAM Act

START YOUR APPLICATION

*By clicking Apply Now, you will be directed to the DREAM Act
application, powered by International Scholarship & Tuition
Services (ISTS).*

APPLY NOW

USER GUIDE-ENGLISH

USER GUIDE-SPANISH

USER GUIDE-TRADITIONAL CHINESE

USER GUIDE-KOREAN

The NYS Dream Act

- Available in English and Spanish
- Link directs students to the step-by-step user guide
- Law requires undocumented students to submit a notarized affidavit indicating they are in the process of moving toward legal status.

How is Financial Aid Determined?

- The FAFSA determines your EFC = Expected Family Contribution
(based on family size, number of children in college, and other factors)
- Every school has to publish its Cost of Attendance (COA)
(the COA will vary by school but the EFC will not...federal is federal).

$$\begin{array}{ccccc} \text{COST} & & \text{EXPECTED} & & \\ \text{OF} & & \text{FAMILY} & & \\ \text{ATTENDANCE} & - & \text{CONTRIBUTION} & = & \text{NEED} \end{array}$$

Students/Parent's Asset Assessment

What is an asset?

- Cash, savings, and checking accounts
- Net business value
- Net value of any real estate (NOT including primary residence)
- Stocks, bonds, 529 plans, trusts, other investments (NOT retirement plans)

Total value of assets less “asset protection allowance,” then assessment at a maximum 6% rate

Sources of Financial Aid



Institutional: Scholarships

- Merit or non-merit based scholarships
(Contact the Admissions Office for requirements)
- Private scholarship search
- At your college of interest
- Free Internet scholarship searches:
 - fastweb.com
 - studentaid.com
 - collegeboard.org/scholarship-search
 - gocollege.com
- scholarships.com
- Local library resources
- Local businesses and civic organizations
(including professional associations) related
to student's field of interest
- Parent's/Student's employers/unions



Fastweb.com Scholarship Directory

fastweb!

Fastweb Matches Students with Scholarships and Financial Aid

The image shows a tablet displaying the Fastweb.com website. The website header includes the Fastweb logo and navigation links. The main content area features a large green banner titled "The Beginner's Guide to Financial Aid" with a hand holding a pen over a document. Below this, there are several sections: "FINANCIAL AID EXPLORES" with buttons for "Private Student Loans", "College Loans", "FAFSA", "Scholarships for Students", "Grants", "Student Aid", and "Living in College"; "RECENT ARTICLES" with a featured article "HOW TO READ YOUR MULTIPLE CHOICE AWARD LETTER" and another article "8 THINGS YOU NEED TO KNOW ABOUT FINANCIAL AID NOW"; and a "Completion" section with a form for "Postsecondary Test Participation Report" and a "Get Started" button. There is also a "Browse by Location" section with a list of states and a "Browse by Interest" section with a list of categories.

Work-Study Opportunities

- Based on financial aid need
- On- or off-campus employment
- Flexible scheduling
- Typically up to 10 - 12 hours a week



Federal Grants



Pell

- \$319 - \$6,345 for 2020-2021
- Portable
- Must demonstrate a financial need
- Based on students EFC and enrollment status
- Lifetime limit of 12 semesters of eligibility (LEU)

SEOG

- \$100 - \$2,000
- Must be Pell eligible
- Students must demonstrate “exceptional” financial need

State Grants



TAP

- \$500 - \$5,165 for 2020-2021
- Based off of *NYS Net Taxable* Income from State tax return
- Full Time (12 credits or more)

APTS

- \$100 - \$2,000
- Part Time (3-11.5 credits)
- Based on NYS Net Taxable Income from 2019 tax year

PTS

- NYS Part Time Scholarship
- Must be attending a SUNY or CUNY institution
- Part Time (6-11.5 credits)
- Award up to \$1,500/semester for up to 4 semester (or 2 years)

Federal Direct Loans

Federal Direct Stafford Loan Program

- Subsidized vs. unsubsidized
- Must be registered for at least 6 credits in a degree
- Interest rate fixed at **2.75%** for 2020-2021 academic year
- Up to \$5,500/year for dependent freshmen/\$9,500 independent freshmen
- Up to \$6,500/year for dependent sophomores/\$10,500 independent sophomores
- Up to \$7,500/year for dependent juniors and seniors/\$12,500 independent juniors and seniors
- Six-month grace period following graduation
- 10 - 30 year repayment period (flexible plans available)
- No pre-payment penalties

Federal Direct PLUS Loan Program

- Parents and Step-parents
- **5.30%** Interest Rate for 2020-2021 academic year
- Available up to Cost of Attendance (COA)
- Credit Check prior to certification
- Two repayment options



Alternative Loans/Payment Plans

- Student loans offered by private lending institutions
- Repayment begins after graduation
- Variable interest rates (some may offer fixed rates)
- Typically need co-signer
- Talk with Cashier/Bursar/Finance Department regarding payment plan options (usually interest free)



Special Circumstances/Professional Judgements

Dependency Overrides

- Very specific criteria/Hard to prove
- Parental abandonment/Abuse
- Deceased parents
- Self-sufficiency alone is NOT grounds for override

Professional Judgments/Special Circumstances

- Divorce/ Separation/Death of parents
- One time IRA withdrawal
- Loss/Change in Employment
- Extraordinary out of pocket medical/dental expenses
- Unusual dependent care expenses

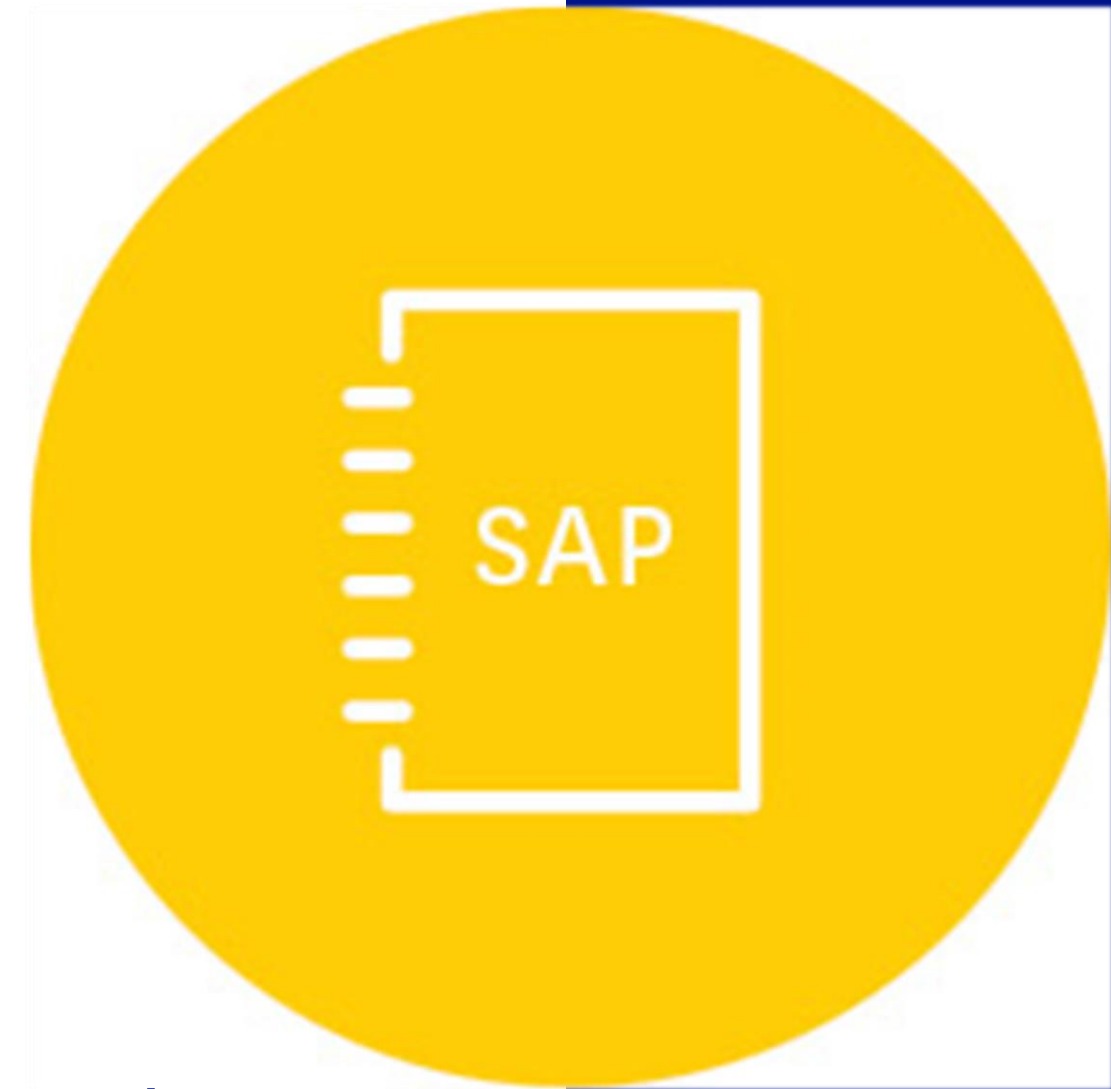
Understanding SAP— What is SAP?

What does it mean?

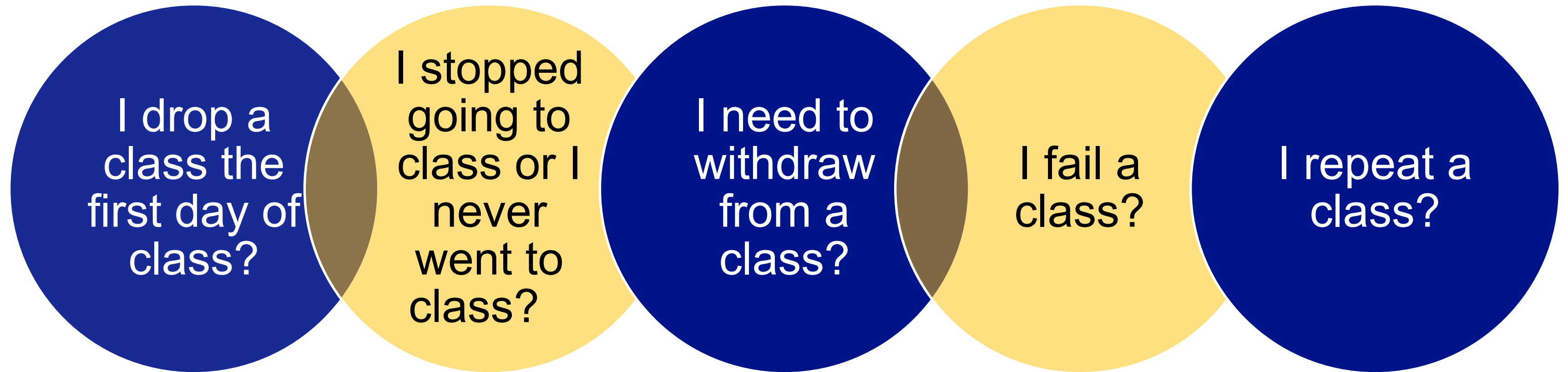
- **SAP stands for Satisfactory Academic Progress.**

How does SAP impact me?

- SAP is reviewed at the end of every semester to determine if students are meeting the minimum requirements to remain eligible for federal and state financial aid programs.



What happens if...



Strategies for Student Success

Knowledge is Power

Get Involved

Communicate

Show Up

Utilize Campus Resources



Questions?