

# Before Leaving Tonight

- Take Out Your Cell Phones/Tablets/Electronic devices
- Complete **Electronic Survey** @ [www.RHMsurvey.org](http://www.RHMsurvey.org) **OR**
- Complete **Paper survey** in blue “I’m Possible” packet
- Turn in tonight and pick a prize!
- Electronic survey? Snap pic of completion screen; show to RHM Advisor to get your prize!
- All survey responses will be entered into a monthly drawing for one of four \$25 Amazon gift cards

# What You Need to Know About Financial Aid

# What is Financial Aid?

Funds provided to students and families to help pay for educational expenses  
(This includes student loans)

# Sources of Financial Aid

- Federal government
- States
- Private
- Employers

# Federal Government

- Largest source of financial aid
- Aid awarded primarily on basis of financial need
- Must apply each year using the FAFSA

# Federal Student Aid ID (FSA ID)

- Website: <https://fsaid.ed.gov>
- Student and one parent must apply for FSA-ID
- Acts as legal electronic signature on FAFSA & student loan MPN
- Links to IRS to transfer Federal tax data into FAFSA
- Provides access to Federal student aid records ([nslds.ed.gov](https://nslds.ed.gov))
- Should not be shared with anyone

# Free Application for Federal Student Aid (FAFSA)

- Standard form that collects demographic and financial information about the student and family
- FAFSA process begins October 1<sup>st</sup> of senior year
  - Must apply *every* year
- File electronically @ [www.fafsa.gov](http://www.fafsa.gov)
- Paper FAFSA available but not recommended
- English & Spanish versions

# FAFSA

- Most states and colleges set FAFSA priority filing dates – check your school’s date
- Montana’s priority date: December 1<sup>st</sup>
- **File on or soon after October 1<sup>st</sup> for best possible awards** - especially important for families with high financial need
- Priority awards = FSEOG, Work-study, institutional, some scholarships
- FAFSA is not a scholarship app – apply separately
- **Bottom line:** Even if you miss a “priority” date, you must submit your FAFSA to qualify for other aid (Pell, Federal Loans, etc.)



# Completing the FAFSA

Use accurate DOB, Social Security Number, legal name from Social Security card

Eligibility:

- Degree seeking
- Citizenship status
- Selective Service registration
- Maintain Satisfactory Academic Progress (SAP)
- Pell Eligibility – 12 semesters max (F/T)

# Student Dependency Status

- **Criteria to be independent** (*parent info not required*):
  - Born in 1994 or before (24 or turning 24 in academic year)
  - Working on a graduate degree (*completed Bachelors Degree*)
  - Married, Veteran, Active Duty, or have dependents that you support more than 50%
  - Since turning age 13, became an orphan, was in foster care, was a dependent of or ward of the court
  - Is currently designated by one of several agents/agencies as homeless or at risk of being homeless
  - Is or was upon reaching the age of majority an emancipated minor
  - Legal Guardianship
  - Documentation usually required
  - Special circumstances can be considered

# Student Dependency Status

- If all “No” responses – student is dependent
  - Provide parental information on FAFSA
- If even one “Yes” response – student is independent
  - Do not provide parental information
- Special circumstances affecting dependency can be considered (more later)

# If Parent Info is required . . . Which Parent(s)?

Divorced/Separated/Remarried Parents:

1. Who did student live with most in last 12 months?
2. If #1 isn't clear, who provided the most financial support in last 12 months?
3. If neither #1 nor #2 is clear, choose the parent who most recently provided support
4. Stepparent's info is always included

Note: Both legal parents' (biological or adopted) incomes are used if living together, regardless of marital status or gender

# Additional Information

- College and housing information – list up to 10 colleges
- FAFSA preparer information
- Certification of Statement of Educational Purpose
- If you are a parent with more than one student in college – click on confirmation page link to pre-fill your second student's FAFSA

# Signatures

- Required
  - Student
  - One parent (dependent students)
- Submitting signatures
  - **Electronic using FSA ID – best option**
  - Signature page (not recommended)
  - Paper FAFSA (not recommended)

# FAFSA Results

Central Processing System (CPS) notifies student of FAFSA results:

- 1 – 3 days if FAFSA submitted electronically
- 8 – 12 weeks if paper FAFSA mailed
- School reviews information; processing times vary
- Respond quickly to requests for additional info

# Making Corrections

If necessary, corrections to FAFSA data may be made:

- Using FAFSA on the Web ([www.fafsa.gov](http://www.fafsa.gov)) if student filed electronically
- Submitting documentation to college's financial aid office



# Special Circumstances

- Cannot be documented using FAFSA
- Follow procedure at your school – documentation required
- Financial Aid Office will review & request additional information if necessary
- Decisions are final and cannot be appealed to U.S. Department of Education

# Special Circumstances

- Change in employment status
- Extraordinary medical expenses
- Change in parent marital status
- Unusual dependent care expenses
- Student cannot obtain parental information due to abandonment, abuse, neglect

# What is Expected Family Contribution (EFC)?

- Calculated using info from Free Application for Federal Student Aid (“FAFSA”)

**Parent contribution** (from reported income & assets)

+ **Student Contribution** (from reported income & assets)

= **Expected Family Contribution** (Amount family can reasonably be expected to contribute)

- Stays the same regardless of college

# Cost of Attendance

## - Direct vs. Indirect

- Direct costs - paid to school
  - Tuition, fees
- Indirect costs - not paid to school
  - Travel, rent, utilities, insurance, personal/misc.

# What is Cost of Attendance (COA)?

A budget for college which includes:

- Tuition & Fees
- Room & Board
- Books & Supplies
- Miscellaneous
- Transportation

**COA will vary widely from college to college**

# What is Financial Need?

Cost of Attendance

– Expected Family Contribution

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= **Financial Need**

# Types of Financial Aid

## GIFT AID

- **Federal Pell Grant**
- **Federal Supplemental Educational Opportunity Grant (FSEOG)**
- Scholarships

## SELF-HELP

- **Federal Work-Study (FWS)**
- **Federal Direct Subsidized and Federal Direct Unsubsidized Student Loans**
- **Federal Direct PLUS (Parent) Loans**
- **Private (Not Federal) Loans**

# Gift Aid: Grants

- Typically, money that does not have to be paid back
- Based on financial need
- Examples: Pell, FSEOG (Federal Supplemental Educational Opportunity Grant)



# Gift Aid: Scholarships

- Do not have to be paid back
- Awarded on the basis of merit, skill, or unique characteristic
- Examples: Elks, Athletic, Music

# Other Sources

- States, foundations, businesses, charitable organizations, churches
- Employers – scholarships for children of employees, student's employer may offer help
- Deadlines and application procedures vary widely
- What's available in your community?

# Self-Help Aid: Work-Study Employment

- Opportunity to earn money to help pay educational costs
- May reduce need to borrow
- Student earns a paycheck based on hours, wages
- Amount awarded will not appear as a credit on student's account – why?
- Does not count against you as income on FAFSA
- Answer “YES” on FAFSA to work-study question

# Self-Help Aid: Loans

- Money borrowed to help pay college expenses
- Examples: **Federal** Direct Subsidized & Unsubsidized Student Loans (4.45%)
- Federal Direct Parent PLUS Loans (7%)
- **PRIVATE** Education loans

Only borrow what is really needed

# Federal Direct Subsidized/Unsubsidized ***Student*** Loans – Similarities

- No credit check, no co-signer
- No payments\* until student ceases to attend *at least ½ time* (graduate, withdraw, drop classes, etc.)
- Six month grace period before payments start
- Multiple disbursements, 30-day delay rules
- Loan fee charged (1.066% – 1.069% of loan)
- Repayment/cancellation/forgiveness

\*Can pay interest while in school

# Federal Direct Subsidized/Unsubsidized *Student* Loans – BIG Differences

- Federal Direct **Subsidized**
  - Must show financial need
  - Interest is waived while student is enrolled ½ time
- Federal Direct **Unsubsidized Student Loans**
  - No financial need
  - Interest is NOT waived during periods of enrollment
  - Interest can & should be paid while enrolled

# Direct Loan Annual Limits - Students

## Dependent Undergraduate Students

Grade Level	Subsidized may not exceed	Unsubsidized	Annual Limit
1 <sup>st</sup> year	\$3,500	\$2,000	\$5,500
2 <sup>nd</sup> year	\$4,500	\$2,000	\$6,500
3 <sup>rd</sup> year and beyond	\$5,500	\$2,000	\$7,500
<b>AGGREGATE LIMIT</b>	<b>\$23,000</b>		<b>\$31,000</b>

NOTES: You do not have to accept the full amount offered

If Parent is denied a PLUS Loan, student can borrow additional \$4,000 Unsub per year

# Federal Direct Parent PLUS Loan

- PARENT is borrower – not the student
- Credit check performed; parent can be denied\*
- Interest accrues immediately, parent responsible
- Payments start right away, but can be delayed
- Can borrow up to COA less other aid received

\*If PLUS loan is denied, student can borrow additional Federal Direct Student Loan funds



# Private Education Loans

- Credit check performed; can be denied
- Usually requires a co-signer
- Payments begin immediately
- Interest and terms vary
- Use a last resort – exhaust federal eligibility first

# Other Resources

- Reach Higher Montana ETV & Step Ahead Camp - Foster Youth
- Reach Higher Montana Scholarships
- [www.mus.edu](http://www.mus.edu) – Montana based scholarships
- MESA programs
- Tribal, BIA funding
- SRS/Voc-Rehab
- Tax Credits/deductions

# Sample Cost of Attendance (Student Budget)

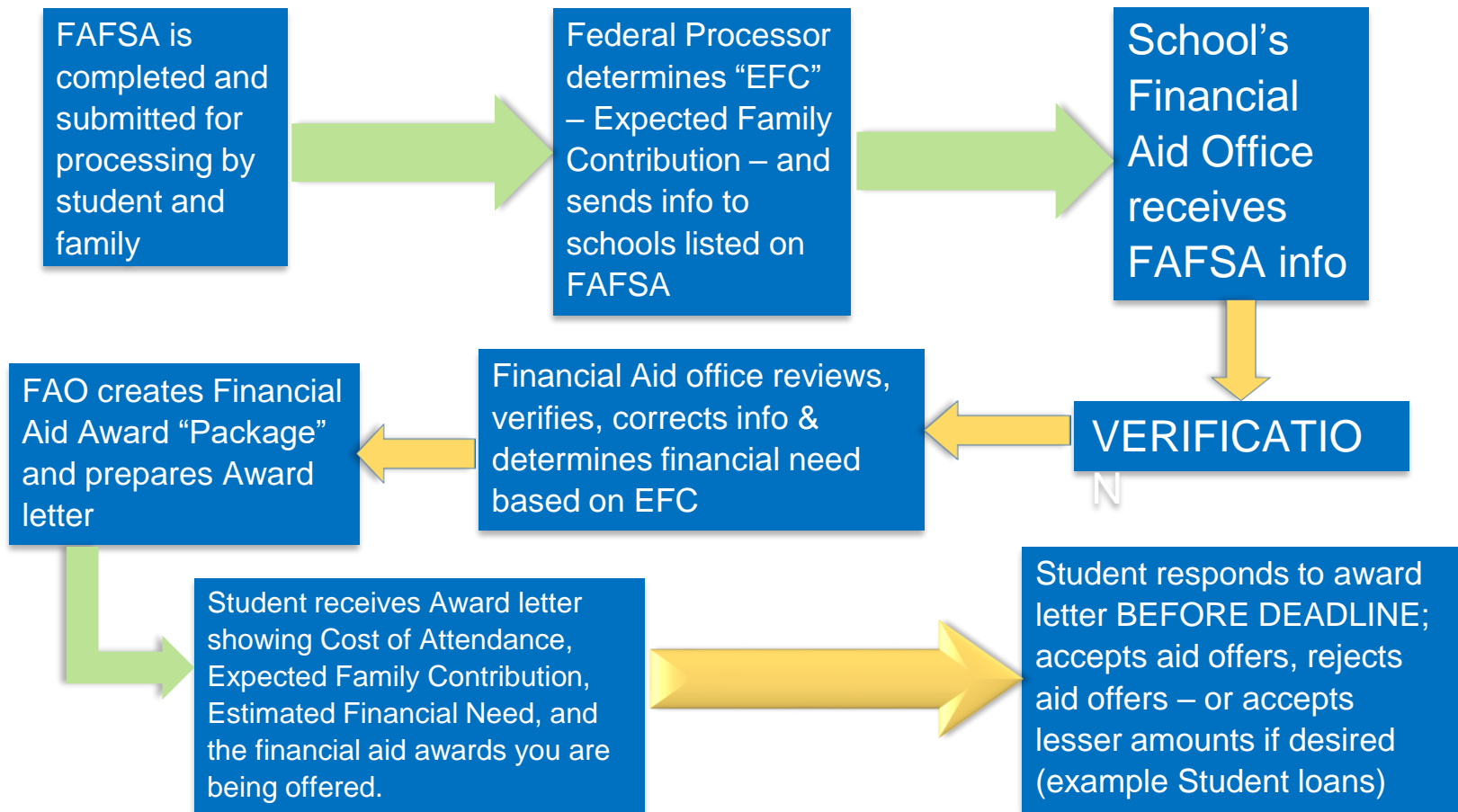
## Three School Comparison

Institution Type	School A Four-year Private*	School B Four-year Public	School C 2-Year CC/Tech
Cost (COA)	\$ 40,000.00	\$ 20,000.00	\$ 15,000.00
EFC*	\$0.00	\$0.00	\$0.00
Need	\$ 40,000.00	\$ 20,000.00	\$ 15,000.00
Pell*	\$ 5,920.00	\$ 5,920.00	\$ 5,920.00
Scholarships	\$ 11,000.00	\$ 2,000.00	\$ 2,000.00
Work Study	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Subsidized Loan	\$3,500.00	\$3,500.00	\$3,500.00
Unmet Need	\$ 17,080.00	\$ 6,080.00	\$ 1,080.00
Unsubsidized Loan	\$ 2,000.00	\$ 2,000.00	\$ 1,080.00
PLUS Parent Loan	\$ 15,080.00	\$ 4,080.00	\$0.00

# How Do the Funds get Disbursed?

- Funds go to student's school account – not to student
- School charges are paid first
- Federal aid is disbursed equally by semester/trimester (also most scholarships)
- Refund check/ACH/debit card issued if credit balance
- You pay if balance due
- Make a budget/make it last

# The Financial Aid Process - Summary



# Reach Higher Montana College Goal

- Get help completing the Free Application for Federal Student Aid (FAFSA) in time for the December 1 priority filing date.
- Upcoming College Goal Event

**Hellgate High School**

**Tuesday November 7th**

**4 pm – 7 pm**

**High School Writing Lab**

**Note:** Get your FSA ID first at [fsaid.ed.gov](https://fsaid.ed.gov)

# Reach Higher Montana College Goal

For more information, go to

[ReachHigherMontana.org](http://ReachHigherMontana.org)

and click on

“Reach Higher Montana College Goal.”

# Questions?

Complete our survey for a chance to win a \$25 gift card!

- On your phone or tablet: [www.rhmsurvey.org](http://www.rhmsurvey.org)
- On paper survey in your packet
- Must submit online or turn in *tonight*

Thank you for attending!

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