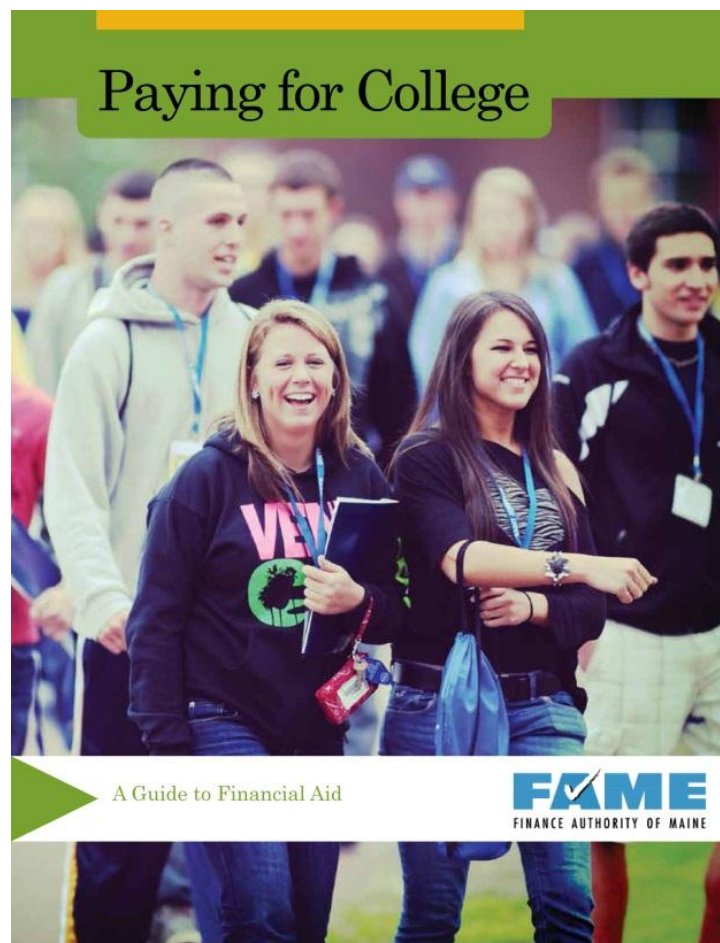




After the FAFSA: Award Letters and More!

Wednesday Webinar: April 2015

- Quick Review
- Verification
- Award Letters
- The Gap



- Visit the webinar page of famemaine.com
 - Sample Award Letter 1
 - Sample Award Letter 2
 - [Comparing Costs & Financial Aid Awards](#) form

Filing the FAFSA Recap

- File the **FAFSA** (Free Application for Federal Student Aid) at fafsa.gov
- Receive and review the **SAR** (Student Aid Report)
- **SAR** yields the **EFC** (Estimated Family Contribution)
- Correct any mistakes to ensure an accurate **SAR** and **EFC**
- Provide updated tax information using **IDRT**

IRS Data Retrieval Tool

- Remember, all students must update estimated income information
- Use the best method, the IRS Data Retrieval Tool
- View IDRT video shorts for a refresher:

http://www.famemaine.com/files/Pages/education/IRS_Data_Retrieval_Tool.aspx

What Is It?

- U.S. Department of Education (ED) process used to confirm accuracy of FAFSA
- ED or school selects student
- School completes the process
 - Customized so documentation can vary by school
 - Deadlines can vary by school and student
- Student may need to supply information even if not selected for verification

Verification

RETURN THE COMPLETED & SIGNED WORKSHEET TO:

**2015-2016
Federal Verification Worksheet**

Your 2015-2016 Free Application for Federal Student Aid (FAFSA) was selected for review in a process called verification. Federal Law states that before awarding Federal Student Aid, EMCC must confirm the information you reported on your FAFSA. To verify your information, the Student Aid Office compares the information on this worksheet and any other required documents against the information you provided on your FAFSA. If there are differences, your FAFSA information will be corrected. Complete and sign this worksheet, attach any required documents, and submit the form and other required documents to the Student Aid Office.

Last Name	First Name	MI	Student ID#	Social Security Number																				
A: ONLY COMPLETE THIS SECTION IF YOU FILED OR WILL FILE A 2014 TAX RETURN																								
<p>➤ The best way to verify income is by using the web-based IRS Data Retrieval Tool. If you have not already used the tool, go to www.FAFSA.gov, log in to your FAFSA record, select "Make FAFSA Corrections," and navigate to the Financial Information section of the form.</p>																								
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Name of Employer	2014 Amount Earned	IRS W-2 Attached Y or N	Indicate in this Column whether you are the student, spouse or parent.																					
C: CHILD SUPPORT INFORMATION TO BE COMPLETED/VERIFIED																								
<p>1. Complete: (1) If student or (2) Student's Spouse (3) or (<i>Dependent Student Only</i>) parent(s) paid child support in 2014.</p> <p><input type="checkbox"/> Either I, OR if married my spouse, OR One (or both) of the student's parents (listed in Section D) paid child support in 2014. Indicate below the name of the person who paid the child support, the name of the person to whom the child support was paid, the names of the children for whom child support was paid, and the total annual amount of child support that was paid in 2014 for each child. If asked by the school, I will provide documentation of the payment of child support.</p>																								
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Page 1

Tax information is just one verification item

Examples of items that cannot be verified by IDRT and require additional steps:

- Household size and number in college
- Income information from nontax filers
- Untaxed income
- Receipt of Food Stamps or SNAP
- Child support paid
- Cash received or any money paid on your behalf, not reported elsewhere

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Verification – Key Points

- Receive notice of selection either via email or postal service
- Adhere to all information requests and complete all forms
- Provide the requested information **as soon as possible**
- Meet or BEAT the deadlines
- Understand that the award offer could change.
- Contact the school and provide appropriate documentation, if requesting an **IRS Tax Extension**

NOTE: Many schools do not issue a financial aid award until verification is complete!

What Is It?

Document issued by Financial Aid Office **AFTER** student acceptance that:

- Communicates costs and financial aid
- Provides detailed breakdown of the **OFFER** of financial aid
- Shows financial aid by type, amount, and source
- Tries to help fill the gap
- Contains (sometimes) terms and conditions of aid
- Arrives typically mid-March to mid-April
- Arrives online via secure web site or paper mail

Award Offer Isn't Final Until...

- Tax information is notated as “already filed” within the FAFSA
- Student responds to all information requests and/or verification requests
- Student accepts the award and completes loan documents, if applicable.

Award Letter Sample

The award letter will have some combination of the following:

- **Cost of Attendance**
 - Direct (billed)
 - Indirect (discretionary)
- **Gift Aid**
 - Grants funded by Federal, State and/or School
 - Scholarships funded by Federal, State and/or School
 - Tuition Waivers or Housing Waivers
- **Self Help Aid**
 - Conversion Scholarship/Loans (EFM; TEACH Grant)
 - Loans funded by Federal and/or School
 - Work-study funded by Federal and/or School
- **EFC = Expected Family Contribution**
- **Need**
- **Not Eligible**
- **Selected for Verification**

April 1, 2014

Ms. Sally Student
123 Coldstone Avenue
SampleTown, ME 00099

Dear Ms. Student,

Congratulations on your acceptance to Maine Private University! The entire staff in the Financial Aid Office looks forward to assisting you during your enrollment at Maine Private University and is pleased to share this financial aid award letter with you!

We have reviewed your financial aid application for the upcoming academic year 2014-2015 and are pleased to make the following offer of financial assistance:

Your financial aid information was based on the following information:

Cost of Attendance (COA)

Tuition and Fees	\$31,400	
Room and Board	\$ 8,500	
Books and Supplies	\$ 1,000	
Personal Expenses	\$ 2,500	
Transportation	\$ 600	
Total Cost of Attendance (COA)		\$44,000

Expected Family Contribution (EFC) \$ 0

Calculated Financial Need \$44,000

To assist in covering your calculated financial need, you are offered the following financial assistance:

	Fall	Spring	Total
University Grant	\$10,000	\$10,000	\$20,000
Federal Pell Grant	\$2,865	\$2,865	\$5,730
Federal Supplemental Grant	\$2,000	\$2,000	\$4,000
State of Maine Grant	\$500	\$500	\$1,000
College Grant	\$300	\$300	\$600
Federal Perkins Loan	\$1,000	\$1,000	\$2,000
Subsidized Stafford	\$1,750	\$1,750	\$3,500
Unsubsidized Stafford	\$1,000	\$1,000	\$2,000
Federal Work Study	\$500	\$500	\$1,000
Total Awards	\$19,915	\$19,915	\$39,830

This award is contingent upon your enrollment in Maine Private University and submitting any required documentation. Please sign one copy of this award letter and return to the Financial Aid Office. If you do not wish to accept any of these financial aid awards, please note on the letter before returning to our office. Please feel free to contact the financial aid office at 1-800-123-4567 for assistance or you can visit our website.

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Comparing Costs & Financial Aid Awards

Use this worksheet to compare estimated college costs and financial aid awards. All of the information you need to complete this worksheet can be found on your financial aid award letter. Remember that costs and financial aid offers can vary significantly from one college or university to another.

	Example	School Name	School Name	School Name
Tuition & Mandatory Fees	\$10,600			
Room & Board	+ \$9,297			
DIRECT COSTS (Billed by School)	= \$19,827			
Grants & Scholarships	- 8,730			
COSTS BEFORE LOANS	= 11,167			
Subsidized Stafford	\$3,500			
Perkins/Institutional	+ \$1,200			
Unsubsidized Stafford	+ \$2,000			
TOTAL LOAN AMOUNT	= \$6,700			
Balance Due (Direct Costs minus grants, scholarships, & loans)	= \$4,667			
Indirect Costs (Books, supplies, travel)	+ \$1,500			
ESTIMATED TOTAL COST	= \$5,967			
WORK STUDY OFFERED	\$900			

Comparing Award Letters

Find a tool that works for you

- FAME's [Comparing Award Letters](#) worksheet
- Online tools
 - Finaid's [Advanced Award Letter Comparison Tool](#)
 - College Board's [Compare Your Aid Awards](#)
 - Consumer Financial Protection Bureau's [Compare college costs and financial aid offers](#)
- Smart gadget "App"
 - College Board's tool is mobile friendly

Comparing Award Letters Exercise

- Retrieve direct costs
- Total the types of aid into 3 categories: scholarships and grants, loans, work-study
- Subtract each category of aid to get a true “apples to apples” comparison

NEED-BASED:

- Subsidized Stafford:
 - Government covers interest
 - 1.051% Origination Fee
 - 6 month grace
 - Available at all Title IV schools

NOT NEED-BASED:

- Unsubsidized Stafford
 - Government does not cover interest
 - 1.051% Origination Fee
 - 6 month grace
 - Available at all Title IV schools

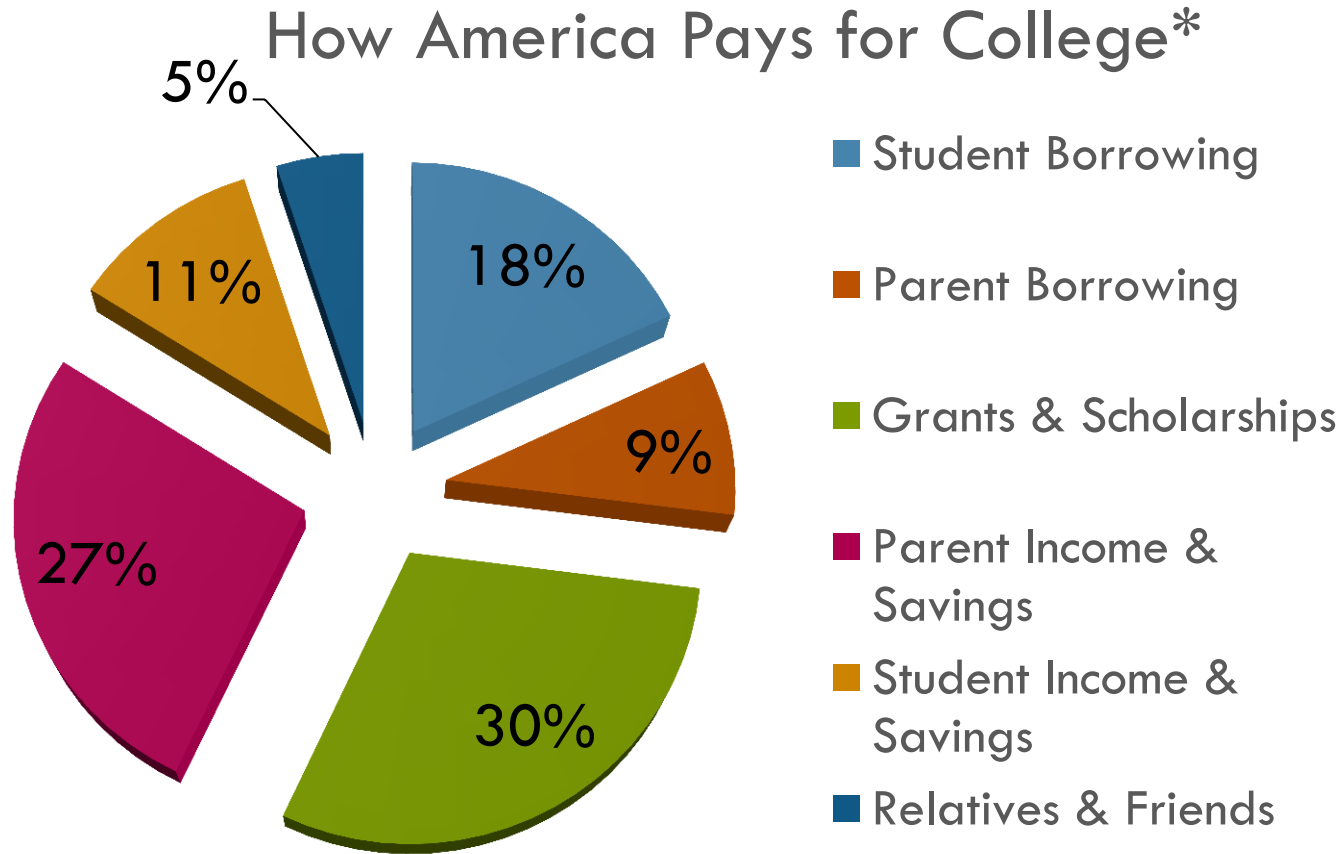
All are based on cost, grade level, dependency status and PLUS Loan eligibility.

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- **Remember** that some colleges provide a tentative award prior to completion of verification, others will not.
- **Understand** that award letters do not have a standard format, so each could have a unique look and provide different information.
- **Follow** each colleges requirement for accepting or rejecting aid.
 - Rejecting one form of aid will not increase other types of aid as compensation!
- **Review** all instructions and **respond** to additional requests promptly.
- Carefully **compare** types and amount of aid offered (grants vs. loans).
- **Report** special circumstances.
- **Ask** questions.
- **Understand** your options if there is a gap.



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Source document: Sallie Mae/IPSOS study report titled "How America Pays for College 2013"

Apply for Scholarships!

- Use FREE scholarship search services:
 - www.famemaine.com
 - www.mycollegedollars.com
 - www.fastweb.com
 - www.chegg.com
 - www.collegetoolkit.com
- Research civic organizations, parents' employers, military, as well as high school guidance offices.

Avoid scholarship scams!

Save Your Money!

- SAVE
- Break the coffee habit:
hughcalc.org/coffee.cgi
- Seek free money
- Use savings from Section 529 Plan, Traditional IRA or Roth IRA



Filling the Gap

Reduce College Costs

- Enrollment Costs
 - Take advantage of reduced out-of-state tuition. Find out how at nebhe.org
 - Test out of college courses: AP classes, CLEP tests
 - Take a college course in HS
 - Consider the Power of Credit Transfer
 - Accelerate your degree with flat tuition rates
 - Enroll in summer courses locally
- Living Expenses
 - Consider living at home
 - Get a roommate or multiple
 - Choose the right meal plan
- Travel Expenses
 - Leave your car at home
 - Commute with another student
 - Take advantage of student discounts on car insurance
- Books & Supplies
 - Rent or buy used books
 - Use a dorm or campus computer instead of buying your own



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Filling the Gap Financing Options

Tuition Payment Plan

- 12 or fewer monthly payments
- Small fee

Employer Based Tuition Assistance

- Employee benefit program
- Reimburses or partially covers tuition
- Employee or dependents
- Talk with human resources

Filling the Gap

Financing Options

Federal PLUS Loan

- Parent is the borrower
- Credit based
- Fixed interest rate 7.21% thru 06/30/2015
- Origination fee (4.204)
- Biological, step or adoptive parents and graduate students can borrow
- 10 year repayment
- Follow the school's process

Alternative Education Loans

- Student is borrower
- Offered through private lender
- Credit based (need co-signer)
- Approval, fees, and interest based on credit history, credit score, debt to income ratio
- Limited repayment and deferment options
- Sometimes interest payments are mandatory

Education Tax Credits and Deductions

- American Opportunity Tax Credit
- Lifetime Learning Credit
- Opportunity Maine
- Student Loan Interest Deduction
- Tuition and Fees Deduction

Learn more about these benefits in IRS Publication 970

- FAFSA – file it
- IRS Data Retrieval Tool – use it
- Verification – respond ASAP
- The Award Letter – ask questions
- The gap – save, cut, borrow as last resort
- Questions?





Questions?

Finance Authority of Maine

5 Community Drive

P.O. Box 949

Augusta, ME 04332

1-800-228-3734

education@FAMEmaine.com

FAMEmaine.com



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