

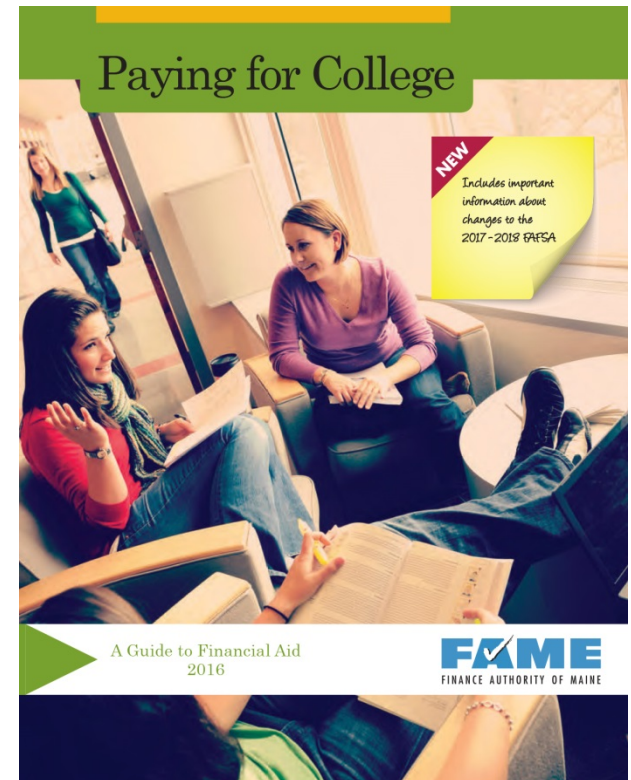


# Financial Aid & College Financing Spring 2016 - Fall 2017



LIKE US ON FACEBOOK: FAME Education  
for weekly scholarship and financial aid information

- Financial Aid Overview
- Three Steps to Financial Aid
- Types of Financial Aid
- Your Award Letter
- Reducing Expenses
- When the Award Isn't Enough
- Saving for College
- Education Tax Credits & Deductions
- Additional Resources



# Financial Aid Overview

- Financial aid exists to help students pay for college
- Two categories of aid
  - Need based aid
  - Merit aid
- All schools must use the FAFSA to award federal financial aid
- Everyone should complete the FAFSA
  - Even if you think you won't qualify - FAFSA is required for many scholarships and federal loans

To learn more, see pages 2-4 in *Paying for College*

# Step 1: Get Ready

- Research (and visit, if possible) colleges to learn about:
  - Costs and financial aid
    - Net Price Calculator - on each school's website
  - Deadlines – they're critical!
    - Use the School Tracking Sheet on page 24
  - CSS Profile or Institutional Forms - some schools use other financial aid applications to award institutional aid
    - For more information on the CSS Profile, visit [www.cssprofile.org](http://www.cssprofile.org), where you will find an interactive presentation on the CSS Profile.

To learn more see pages 6-7 in *Paying for College*

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# Step 1: Get Ready

- Create an FSA ID at [fsaid.ed.gov](https://fsaid.ed.gov)
  - All student applicants need an FSA ID
  - For dependent students, one parent needs an FSA ID to sign the FAFSA
  - Use our FSA ID Information Tracking form to record information
    - consider taking a picture
  
- Research and apply for outside scholarships
  - Use free searches only
  - Links at [www.famemaine.com](http://www.famemaine.com)
  
- Save as much as possible!



To learn more see pages 6-7 in Paying for College

- Complete the FREE Application for Federal Student Aid (FAFSA) at [www.fafsa.gov](http://www.fafsa.gov)
  - FAFSA is FREE – do not pay anyone to submit it for you
  - Must be completed every year!



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- File on time – The FAFSA will now be available starting on October 1!
  - Submit early to meet deadlines
  - The 2017-2018 FAFSA required 2015 tax information – no need to estimate – use the IRS Data Retrieval Tool in the FAFSA
  - Parental information – whose information is needed?
  - Asset information

To learn more see pages 8 in *Paying for College*

# Deadlines Matter

In this example, the Expected Family Contribution (EFC) was 0.



**FAFSA Submitted:**  
**October 1**  
**Award Amount:**

Pell Grant	\$ 5,845
State Grant	\$ 1,500
SEOG Grant	\$ 2,000
University Grant	\$ 3,500
Work-Study	\$ 1,600
Perkins Loan	\$ 1,000
Stafford Loan	\$ 5,500
<b>Total:</b>	<b>\$ 20,945</b>



**FAFSA Submitted:**  
**after school's priority deadline**  
**Award Amount:**

Pell Grant	\$ 5,845
State Grant	\$ 1,500
Perkins Loan	\$ 1,000
Stafford Loan	\$ 5,500
<b>Total:</b>	<b>\$ 13,845</b>



**FAFSA Submitted:**  
**during summer**  
**Award Amount:**

Pell Grant	\$ 5,845
Stafford Loan	\$ 5,500
<b>Total:</b>	<b>\$ 11,345</b>



## Step 3: Follow Up

- Student Aid Report (SAR)
  - Summary of FAFSA information
  - Review and correct errors at [www.fafsa.gov](http://www.fafsa.gov)
  - FAFSA information and changes will be sent to the colleges electronically

To learn more, see page 10 in *Paying for College*

## Step 3: Follow Up

- Verification
  - Students randomly selected
  - School is responsible for verifying information
  - Schools may send requests for information by mail or email
  - Be sure to meet your verification deadlines!

To learn more, see page 10 in *Paying for College*

- Your Expected Family Contribution (EFC)
  - Calculated when you submit the FAFSA
  - Based upon your income and assets
  
- Your EFC is...
  - Used as a measure of your family's financial strength
  - Used by your school to calculate your financial aid
  - The same at each school that you apply to

To learn more, see page 10 in *Paying for College*

- Your EFC is not...
  - The amount of money your family will have to pay for school
  - The amount of financial aid you will receive

To learn more, see page 10 in *Paying for College*

## Examples of How Need is Determined

	Low-Cost School EFC = \$2,000	Mid-Cost School EFC = \$2,000	High-Cost School EFC = \$2,000
Annual Cost of Attendance	\$ 8,600	\$ 20,500	\$ 48,000
- EFC	\$ 2,000	\$ 2,000	\$ 2,000
<b>= NEED</b>	<b>\$ 6,600</b>	<b>\$ 18,500</b>	<b>\$ 46,000</b>

# Types of Financial Aid

- Scholarships/Grants
  - Federal
  - State (State of Maine Grant – May 1 deadline!)
  - Institutional (colleges and universities)
  - Private
  
- Work-study
  - Federal
  - Institutional

To learn more, see page 12-13 in *Paying for College*

# Types of Financial Aid

- Student Loans
  - Federal Student Loans (Direct Stafford)
  - Private/Alternative Loans
  - Institutional Loans
- Be sure to understand the differences!

Visit [famemaine.com](http://famemaine.com) for more information about programs for Maine residents.

# Your Award Letter

- The financial aid office will send or email you an award notification
  - You must be accepted for admission
  - Be sure to check student e-mail account regularly
  
- Review your award
  - Each financial aid package will be different
  - Compare types and amount of aid offered

To learn more, see pages 14-16 in *Paying for College*





### 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			
<b>DIRECT COSTS</b> (Billed by School)	= \$19,897			
Grants & Scholarships	- 8,730			
<b>COSTS BEFORE LOANS</b>	= 11,167			
Direct Subsidized Loan	\$3,500			
Institutional Loan	+ \$1,200			
Direct Unsubsidized Loan	+ \$2,000			
<b>TOTAL LOAN AMOUNT</b>	= \$6,700			
Balance Due (Direct Costs minus grants, scholarships, & loans)	= \$4,467			
Indirect Costs (Books, supplies, travel)	+ \$1,500			
<b>ESTIMATED TOTAL COST</b>	= \$5,967			
<b>WORK STUDY OFFERED</b>	\$900			

\*Estimated Total Cost could be the amount paid by the student or their family using savings, outside scholarships or loans.  
 5 Community Drive, PO Box 949, Augusta, Maine 04332-0949 TEL: 1-800-228-3734 / 1-207-622-3262 FAX: 1-207-622-8095 TTY: 1-207-626-2717 E-mail: education@FAMEmaine.com

# Comparing Award Letters

Find a tool that works for you

- FAME’s Comparing Award Letters worksheet
- Online tools
  - Finaid.org’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

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- Respond to colleges as necessary
  - Some types of aid require additional steps, such as entrance counseling and promissory notes – respond quickly!
  - Inform colleges of your final decision
  - Notify financial aid offices of outside scholarships as soon as possible

To learn more, see pages 14-16 in *Paying for College*

# Special Circumstances

- The Financial Aid Office only has the information that was provided on the FAFSA.
- If that information no longer reflects your current situation, contact them directly to discuss changes.
- Examples of changes may include:
  - Unemployment
  - Divorce or separation
  - Loss of income
  - Unusual medical expenses
  - Parent(s) attending college

# Reducing Expenses

- Enrollment charges
  - Can you save on tuition?
  - Transfer and AP credits
- Living & other expenses
  - On-campus or living at home?
  - Meal plans
  - Travel expenses
  - Health insurance
- Books and supplies
  - Buy used books or rent
  - Need a computer - look for student discounts

## Popular Online Textbook Sites

[www.amazon.com](http://www.amazon.com)

[www.barnesandnoble.com](http://www.barnesandnoble.com)

[www.chegg.com](http://www.chegg.com)

[www.half.com](http://www.half.com)

[www.textbooks.com](http://www.textbooks.com)

To learn more, see page 16-17 in *Paying for College*

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# When the Award Isn't Enough

- Savings
  - Work and save during the summer to cover expenses
- Tuition Payment Plan
  - Make monthly payments to the college
- Federal Parent PLUS Loan
  - Credit based, fixed interest rate
- Private Loans
  - Credit based and typically require co-signer

To learn more, see page 18-20 in *Paying for College*

# Saving For College

- Section 529 Plan
- Coverdell Education Savings Accounts (ESA)
- Traditional and Roth IRA withdrawals

To learn more, see page 21 in *Paying for College*

# Education Tax Credits & Deductions

- State Tax Credit ([maine.gov/revenue](http://maine.gov/revenue) – credit for educational opportunity)
  - Educational Opportunity Tax Credit
  
- Federal Tax Credits and Deductions (see IRS Publication 970)
  - American Opportunity Tax Credit
  
  - Lifetime Learning Tax Credit
  
  - Student Loan Interest Deduction

To learn more, see page 21 in *Paying for College*

# Additional Resources

- Numerous web-based resources exist
- Talk with your school counselor & financial aid office
- FAME – [www.famemaine.com](http://www.famemaine.com)
- FAME's FAFSA Completion Help
  - FAFSA labs throughout Maine in the Fall of 2016
  - Line by line FAFSA completion with help from experts - for more info, visit our *Filing the FAFSA* section at [www.FAMEmaine.com](http://www.FAMEmaine.com)





# FAME Financial Aid Hotline

1-800-228-3734



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Questions?

## Finance Authority of Maine

5 Community Drive

P.O. Box 949

Augusta, ME 04332

1-800-228-3734

TTY: 207-626-2717

[education@FAMEmaine.com](mailto:education@FAMEmaine.com)

[www.FAMEmaine.com](http://www.FAMEmaine.com)



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