



# Understanding & Comparing Financial Aid Award Letters

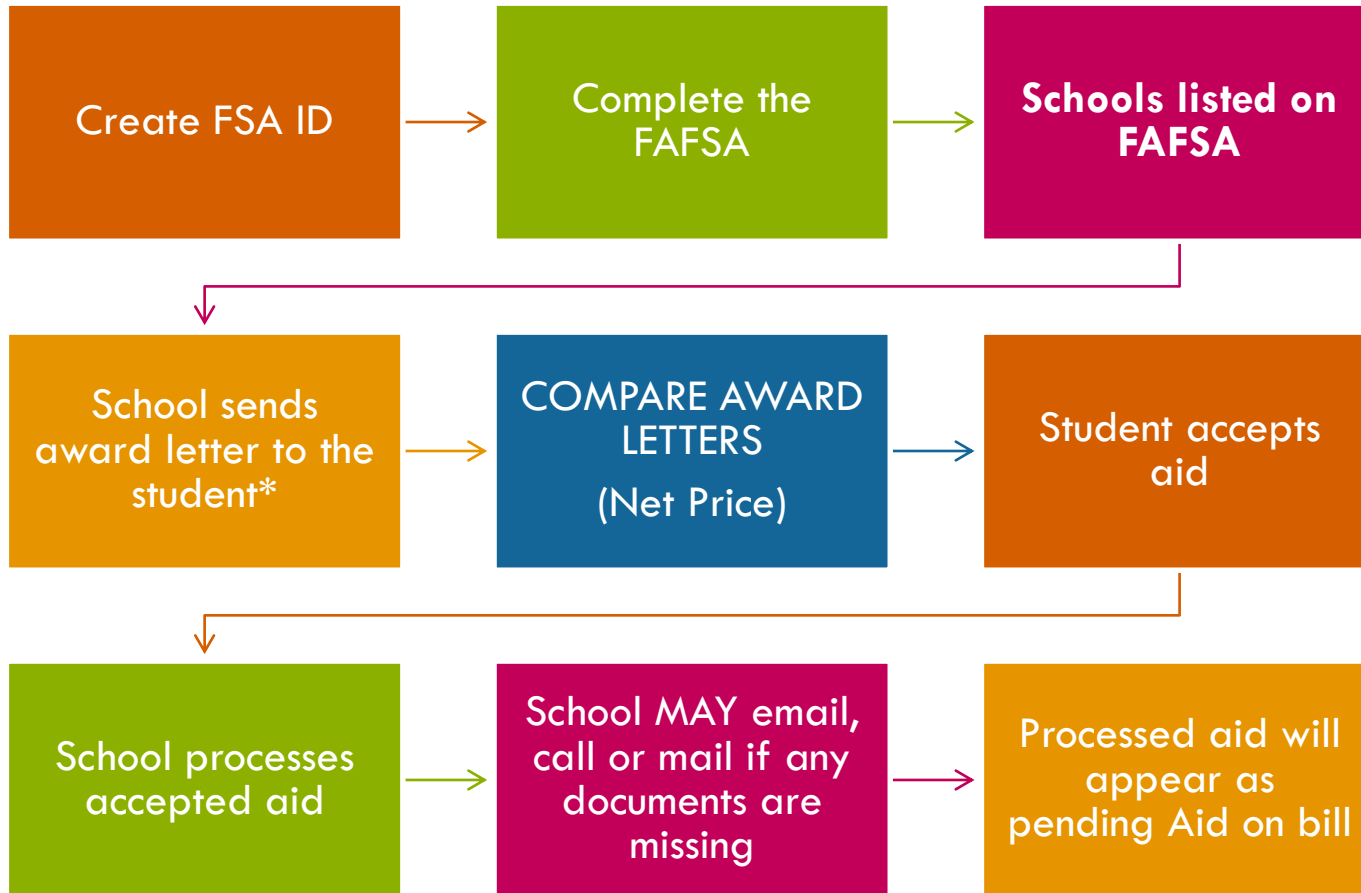
## A guide to finding the most affordable option



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for weekly scholarship and financial aid information



# Financial Aid Process Review



\*If selected for verification, student may not receive an award letter until process is complete

Let's start with things  
that are pretty typical  
of financial aid offers.

## What is it?

Electronic or paper document issued by Financial Aid Office **AFTER** student acceptance that:

- Provides detailed breakdown of the **OFFER** of financial aid
- Shows financial aid by type, amount, and source
- Tries to help fill the gap

## How is financial aid determined?

- Colleges use the following formula to award need-based aid:  $COA - EFC = NEED$
- Combination of federal, state, and institutional funds
- Often there is a “gap” between financial aid offered and net price

## How and when will it arrive?

- Arrives typically mid-February/early March for new students, later for returning students
  - Valid FAFSA must be filed and verification process (if selected) must be complete
- Arrives online via secure web site or paper mail
  - First notice for new students is typically paper (snail mail) and all others are electronic
  - Very important for student to have activated university email address & student portal for *each* institution from which they wish to receive an aid offer; they can deactivate the others once decision has been made
  - Students must check university email address **regularly** and/or forward to personal email



Award letters are like apples & apricots; both round fruits, but they are different. Let's examine some differences!





The award letter may have some combination of the following:

- **Cost of Attendance**
- **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**
  - Loans funded by Federal Govt. and/or School



**Gryffindor College**  
**Office of Financial Aid**

February 1, 2018

Mickey Mouse  
5 Community Drive  
Augusta, ME 04332-0949

Budget:	
Tuition & Fees	\$3480
Books & Supplies	\$1300
Room & Board	\$8920
Miscellaneous	\$1500
Transportation	<u>\$1400</u>
<b>Budget Total</b>	<b>\$16,600</b>

Thank you for applying for financial aid at Gryffindor. This is your award letter for the 2018-19 academic year. Your financial aid eligibility is based on the information from your FAFSA (Free Application for Federal Student Aid). Please review the fund amounts listed below. You have the right to decline or reduce any of the amounts listed; if you wish to do so, please notify the office in writing.

Source	Fall 2018	Spring 2019	Total
Pell Grant	\$1485.00	\$1485.00	\$2970.00
Maine State Grant	\$750.00	\$750.00	\$1500.00
Quidditch Scholarship	\$800.00	\$800.00	\$1600.00
Federal Direct Subsidized Loan	\$1750.00	\$1750.00	\$3500.00
Federal Direct Unsubsidized Loan	\$1000.00	\$1000.00	\$2000.00
<b>Total</b>	<b>\$5785.00</b>	<b>\$5785.00</b>	<b>\$11,570.00</b>

Your estimated cost of attendance reflects what a typical Gryffindor College student may have for expense from their college bill and for living on campus. Your bill for tuition, fees and housing (if applicable) will be mailed to you directly from the Business Office.

We encourage you to review additional important information about your financial aid by logging into your student portal at [GriffindorStudent.edu](http://GriffindorStudent.edu). After logging in click on the "Students" tab and then click on "Financial Aid" to review the information under "Financial Aid Forms"

Please feel free to contact the Financial Aid Office by owl or stop in if you have any questions or concerns. Questions about your bill should be referred to the Business Office.





Erudite College

January 23, 2018  
Academic Year 2018-19  
Student ID: A000012

Mickey Mouse  
5 Community Drive  
Augusta, ME 04332-0949

Dear Mickey,

We are pleased to inform you of your eligibility for financial aid for the 2018-19 academic year. This award package is based on the information that we have received. **Our records indicate that you will live on campus and will be a full-time student in the nursing program.** Please notify the financial aid office of changes to your major or housing stat as it may affect your award.

**Documents you need to return to accept this award:**

Signed copy of your award letter  
Master Promissory Note  
Entrance Counseling

Award Name	Fall	Spring	Total
Pell Grant	\$1485	\$1485	\$2970
ME State Grant	\$750	\$750	\$1500
College Grant	\$23,000	\$23,000	\$46,000
Federal Work Study	\$675	\$675	\$1350
Federal Direct Subsidized Loan	\$1750	\$1750	\$3500
Federal Direct Unsubsidized Loan	\$1000	\$1000	\$2000
Perkins Student Loan	\$1000	\$1000	\$2000
<b>Total Financial Aid Award</b>	<b>\$29,660</b>	<b>\$29,660</b>	<b>\$59,320</b>

Draw a line through any award you want to decline or reduce. To reduce an award please indicate a lower amount to the right of the figures. Please review the financial aid section of our website. Forms and additional information can be found online at [www.EruditeCollege/FinancialAid.edu](http://www.EruditeCollege/FinancialAid.edu)

Sincerely,  
Financial Aid Office

# Understanding the Parts



- What your award is based on
  - Is this accurate?
- How you accept the aid
  - What are your next steps
- Federal Work Study
  - Notice: Included as total aid
- **\*\*No Cost of Attendance listed**
  - Will need to go online to get costs for comparison or was it included with the letter?



# Understanding the Parts

The award letter may have some combination of the following:

- Your Expected Family Contribution (Results of your FAFSA)
- Other funding options
- Notices about your awards

## Estimated 2018-19 Cost of Attendance

Estimated Cost of Attendance**	\$29,275/year
Tuition & Fees (billed per credit hour)	\$17,085
Room and Board (billed only if living on campus)	\$9,240
Transportation (out of pocket)	\$550
Books & Supplies (out of pocket)	\$1,150
Other Educational Expenses	\$1,250

\*\*Estimated total direct & indirect costs: Additional expenses that may contribute to a student's cost of attendance, but are not charged to the student.

## Grants and Scholarships (no repayment needed)

Institutional Grant(s)	Fall 18	Spring 19	Total
On-Campus Housing Grant	\$625	\$625	\$1,250
District 12 Grant	\$2,500	\$2,500	\$5,000
Federal Supplemental Opportunity Grant (FSEOG)	\$500	\$500	\$1,000
Snow Family Scholarship*	\$550	\$550	\$1,100
Tribute Scholarship*	\$1,500	\$1,500	\$3,000
<b>Federal Grant(s)</b>			
Federal Pell Grant	\$1,485	\$1,485	\$2,970
<b>State Grant(s)</b>			
Maine State Grant Program	\$750	\$750	\$1,500
	<b>\$7,910</b>	<b>\$7,910</b>	<b>\$15,820</b>

## Loan Options (to be repaid back by borrower)

	Fall 18	Spring 19	Total
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
<b>Total loans:</b>	<b>\$2,750</b>	<b>\$2,750</b>	<b>\$5,500</b>

## Work Options \*\* (not to be applied to student account)

	Total
Federal Work-Study	\$600
<b>Total</b>	<b>\$600</b>

\*\*If no amount appears above you are not eligible for federal work-study; however you may be eligible to apply for a job on campus. Please see Student Employment for more info about on-campus jobs at 100 Main Hall

## Information about your awards:

- \*Your Maine State Grant is an estimate. Actual confirmation will be sent to you by the Finance Authority of Maine (FAME)
- \*The On-Campus Residential grant is for students living in the Residence Halls

## YOUR FINANCIAL AID AWARD IS BASED ON YOUR:

Expected Family Contribution:  
\$3,000

Housing Plan: Living on campus

Enrollment status: Full Time

Should your enrollment or housing plans change, please notify our office so that we can update your financial aid award.

## Your Total Financial Aid Award is:

\$21,920

This award represents the maximum amount of institutional, federal, and state awards for which you are eligible.

## Other Financing Options

\*Payment plans offered through the Student Accounts Office

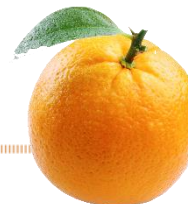
\*Military and/or National Service Benefits

\*Private Student Loans

Should you have any questions about your financial aid please contact us at:

207-777-7777 email [FinAid@edu](mailto:FinAid@edu)

\*As a recipient of an endowed scholarship, you will be invited and encouraged to attend our scholarship appreciation luncheon on Oct 3rd. This is a great opportunity to thank the donors who made this scholarship possible



Works for ME ✓

If you get 3 different  
award letters, how do  
you know which offer is  
best?

# Comparing Award Letters

## COMPARING COSTS & FINANCIAL AID AWARDS

Use this worksheet to compare estimated college costs and financial aid awards. Find the information you need to complete this worksheet on your financial aid award notice or your school's website. Costs and financial aid offers can vary significantly from one college or university to another.

College Name	Example	School 1	School 2	School 3
	School X			
<b>Direct Costs to Attend</b>				
Tuition & Mandatory Fees	\$10,600			
Room & Board	+\$9,277	+	+	+
<b>Direct Costs</b> (Billed by School)	<b>- \$19,877</b>	-	-	-
<b>Financial Aid: Grants &amp; Scholarships</b>				
Grants & Scholarships	- \$8,730	-	-	-
<b>Net Cost Before Loans</b>	<b>- \$11,167</b>	-	-	-
<b>Financial Aid: Loans</b>				
Federal Direct Subsidized Loan	\$3,500			
Federal Direct Unsubsidized Loan	+\$2,000	+	+	+
Federal Perkins Loan	+\$0	+	+	+
<b>Total Loan Amount<sup>1</sup></b>	<b>- \$5,500</b>	-	-	-
<b>Estimated Total Cost</b>				
Balance Due (Direct Costs minus grants, scholarships, & loans)	- 5,667	-	-	-
Indirect Costs (Books, supplies, travel)	+\$1,500	+	+	+
<b>Estimated Total Cost<sup>2</sup></b> (Out-of-pocket cost)	<b>- \$7,167</b>	-	-	-
<b>Financial Aid - Work Study</b>				
Work Study	\$1,500			

Find a favorite tool to compare your award letter:

- FAME's Comparing Award Letters worksheet
- **Informational**, animated video on our website
- Online tools
- Smart gadget "App"

*Works for ME* ✓

Use this worksheet to compare estimated college costs and financial aid awards. Find the information you need to complete this worksheet on your financial aid award notice or your school's website. Costs and financial aid offers can vary significantly from one college or university to another.

College Name	Example	School 1	School 2	School 3
	School X	Griffindor College	Capitol U	Erudite College
<b>Direct Costs to Attend</b>				
Tuition & Mandatory Fees	\$10,600	\$ 3,480.00	\$ 17,085.00	\$ 48,000.00
Room & Board	+ \$9,297	+ \$ 8,920.00	+ \$ 9,240.00	+ \$ 12,000.00
<b>Direct Costs</b> (Billed by School)	<b>- \$19,897</b>	<b>- \$ 12,400.00</b>	<b>- \$ 26,325.00</b>	<b>- \$ 60,000.00</b>
<b>Financial Aid - Grants &amp; Scholarships</b>				
Grants & Scholarships	- \$8,730	- \$ 4,270.00	- \$ 14,020.00	- \$ 48,670.00
<b>Net Cost Before Loans</b>	<b>- \$11,167</b>	<b>- \$ 8,130.00</b>	<b>- \$ 12,305.00</b>	<b>- \$ 11,330.00</b>
<b>Financial Aid - Loans</b>				
Federal Direct Subsidized Loan	\$3,500	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
Federal Direct Unsubsidized Loan	+ \$2,000	+ \$ 2,000.00	+ \$ 2,000.00	+ \$ 2,000.00
Federal Perkins Loan	+ \$0	+ \$ 0.00	+ \$ 0.00	+ \$ 2,000.00
<b>Total Loan Amount<sup>1</sup></b>	<b>- \$5,500</b>	<b>- \$ 5,500.00</b>	<b>- \$ 5,500.00</b>	<b>- \$ 7,500.00</b>
<b>Estimated Total Cost</b>				
Balance Due (Direct Costs minus grants, scholarships, & loans)	- 5,667	- \$ 2,630.00	- \$ 6,805.00	- \$ 3,830.00
Indirect Costs (Books, supplies, travel)	+ \$1,500	+ \$ 2,700.00	+ \$ 1,700.00	+ \$ 2,000.00
<b>Estimated Total Cost<sup>2</sup></b> (Out-of-pocket cost)	<b>- \$7,167</b>	<b>- \$ 5,330.00</b>	<b>- \$ 8,305.00</b>	<b>- \$ 5,830.00</b>
<b>Financial Aid - Work Study</b>				
Work Study <sup>3</sup>	\$1,500	\$ 0.00	\$ 600.00	\$ 1,350.00

# Comparing Award Letters

## Which is the most affordable option?

Cost (sticker price)

- Grants and scholarships

Net Price

Net Price: What you pay out of pocket for 1 year of college

*Works for ME* ✓

So now you've  
compared awards, but  
what else should you  
consider?

# Other Financial Considerations



- Is any of the aid on your award letter renewable?
  - Amounts may differ in subsequent years
- Costs could increase each year
  - Tuition, Room & Board, fees.....

# Scholarships

- **Different** process at each school
- **Impact** on financial aid offer generally minimal
- **Unmet need** filled first in most cases
- **Loan or Work Study** eligibility reduced first, whenever possible
- School may **swap** institutional funds if you receive outside scholarship
- **ALWAYS** better to get as many outside scholarships as possible than to worry about aid impact
- **More** scholarships = less loans
- **Ask** questions; as soon as you're notified of a scholarship, call the financial aid office to report it & discuss







## Student Statement

Student Account Number  
[REDACTED]

Amount Remitted  
\$ [REDACTED]

If you wish to charge your payment to your credit card, you **MUST** complete the information below.

Check one: AMEX Discover Master Card Visa

Credit Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Cardholder Signature

CVV Code

X

Please Return This Portion with Payment

Date	Student Name	Student Account Number			
7/16/18	[REDACTED]	[REDACTED]			
Date	Description	Semester	Charges	Credit	Balance
7/1/2018	Beginning Balance	0			(\$460.00)
7/2/2018	Housing Deposit -	0		\$100.00	(\$559.00)
7/14/2018	Tuition - Undergrad. Day -	F	\$12,980.00		\$12,421.00
7/14/2018	Activity Fee -	F	\$205.00		\$12,626.00
7/14/2018	Health Fee -	F	\$155.00		\$12,781.00
7/14/2018	Room - Village -	F	\$2,910.00		\$15,691.00
7/14/2018	Board -	F	\$2,700.00		\$18,471.00
7/14/2018	Yearbook -	F	\$65.00		\$18,536.00
7/14/2018	Student Insurance -	F	\$1,475.00		\$20,012.00
7/14/2018	Residential Technology Fee -	F	\$200.00		\$20,212.00
7/14/2018	Parking Slicker -	F	\$5.00		\$20,217.00
7/14/2018	Technology Fee -	F	\$110.00		\$20,327.00
7/15/2018	College Grant -	F		\$1,400.00	\$18,927.00
7/15/2018	Massena Valley FCL Scholarship -	F		\$500.00	\$18,427.00
7/15/2018	Magna Cum Laude Scholarship -	F		\$5,250.00	\$12,177.00
Pending items are listed below.					
	S-Direct Stafford Loan	F		\$2,220.00	\$9,951.00
Committed on the next page...					
Estimated Balance Due 8/10/2018: Continued...					

X  
Please Return This Portion with Payment

Date	Student Name	Student Account Number			
7/16/18	[REDACTED]	[REDACTED]			
Date	Description	Semester	Charges	Credit	Balance
Pending items are listed below.					
	U-Direct Stafford Loan	F		\$990.00	\$8,961.00

# The Bill

Knowing the bottom line will help when it's time to read the bill

- They also all look different
- Financial aid usually subtracted/shows as "Pending"
- Review for fees you can reduce; room & board, waive health insurance, etc.
- Create a plan

*Works for ME* ✓

After you have used the "Comparing Costs & Financial Aid Awards" tool on the front of this sheet to, use this calculator to determine what resources that you have or will have available to help cover the "Estimated Total Cost" at each school. Prefer an electronic version? Check out the SALT College Cost Calculator. Create a free account at [saltmoney.org/FAME](http://saltmoney.org/FAME).

	Example	School 1	School 2	School 3
	School X	Gryffindor College		
<b>Estimated Total Cost</b>				
Estimated Total Cost (out-of-pocket cost from the front of this sheet)	\$7,167	\$ 5,330.00	\$ 0.00	\$ 0.00
<b>Outside Scholarships</b>				
Outside Scholarships	- \$1,000	- \$ 1,000.00	- \$ 0.00	- \$ 0.00
<b>Remaining Balance</b>	<b>\$6,167</b>	<b>\$ 4,330.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Student Savings</b>				
Student's Current Savings	- \$200	\$ 150.00	\$ 0.00	\$ 0.00
Student's Estimated Summer Savings	- \$1,100	+ \$ 0.00	+ \$ 0.00	+ \$ 0.00
<b>Remaining Balance</b>	<b>\$4,867</b>	<b>\$ 4,180.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Family Savings/Resources</b>				
College Savings	- \$1,000	- \$ 500.00	- \$ 0.00	- \$ 0.00
Family Savings/Investments	- \$0	+ \$ 0.00	+ \$ 0.00	+ \$ 0.00
Other (i.e. gifts from relatives)	- \$500	- \$ 0.00	- \$ 0.00	- \$ 0.00
<b>Remaining Balance</b>				
Remaining Balance (after scholarships, student savings, family resources)	<b>\$3,367</b>	<b>\$ 3,680.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Additional Options for Bridging the Gap</b>				
Monthly Payment Plan	\$3,367/10 - \$336 / month	3680/10 =368		
Federal Plus Loan (parent borrows) or Private Loan (typically student borrows with a co-signer)	\$3,367 plus interest	\$ 3,680.00	\$ 0.00	\$ 0.00
Contribution from Work Study/ Student School Year Employment	\$1,000	\$ 1,200.00	\$ 0.00	\$ 0.00
Other		\$ 0.00	\$ 0.00	\$ 0.00

# The Bottom Line

Which is the most affordable option?

Cost (sticker price)

- Grants and scholarships

Net Price

Net Price: What you pay out of pocket for 1 year of college

Works for ME ✓

# What if the aid is not enough?

- Savings
- Payment plans
- Reducing the bill
- Other Loans



# What if it's not enough?

- Consider entire cost of education vs. first year earnings
- How will you pay for 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> year
- Consider 1<sup>st</sup> year at a school close to home



# Summary & Tips

- Remember; award letters are apples & apricots! Compare & contrast.
- Determine *net* price versus sticker price
- Don't rule out an expensive school until you've determined the bottom line
- Apply for aid early
- Scholarships! Scholarships! Scholarships!





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)

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



*Works for ME* ✓