



Understanding & Comparing Aid Offers

WILL BEGIN IN A MOMENT

While you wait...

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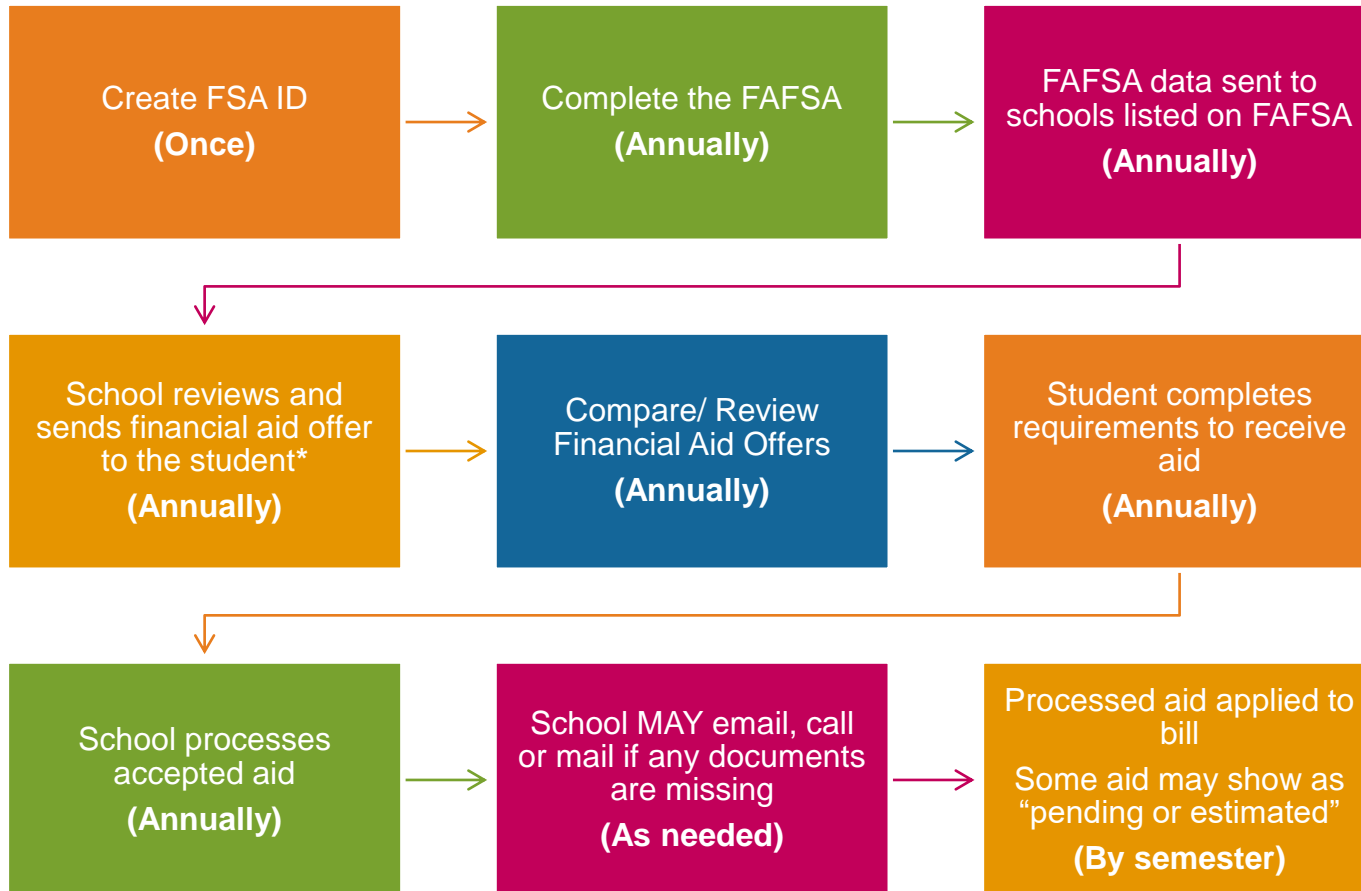
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Maria MacDougal
College Access Counselor

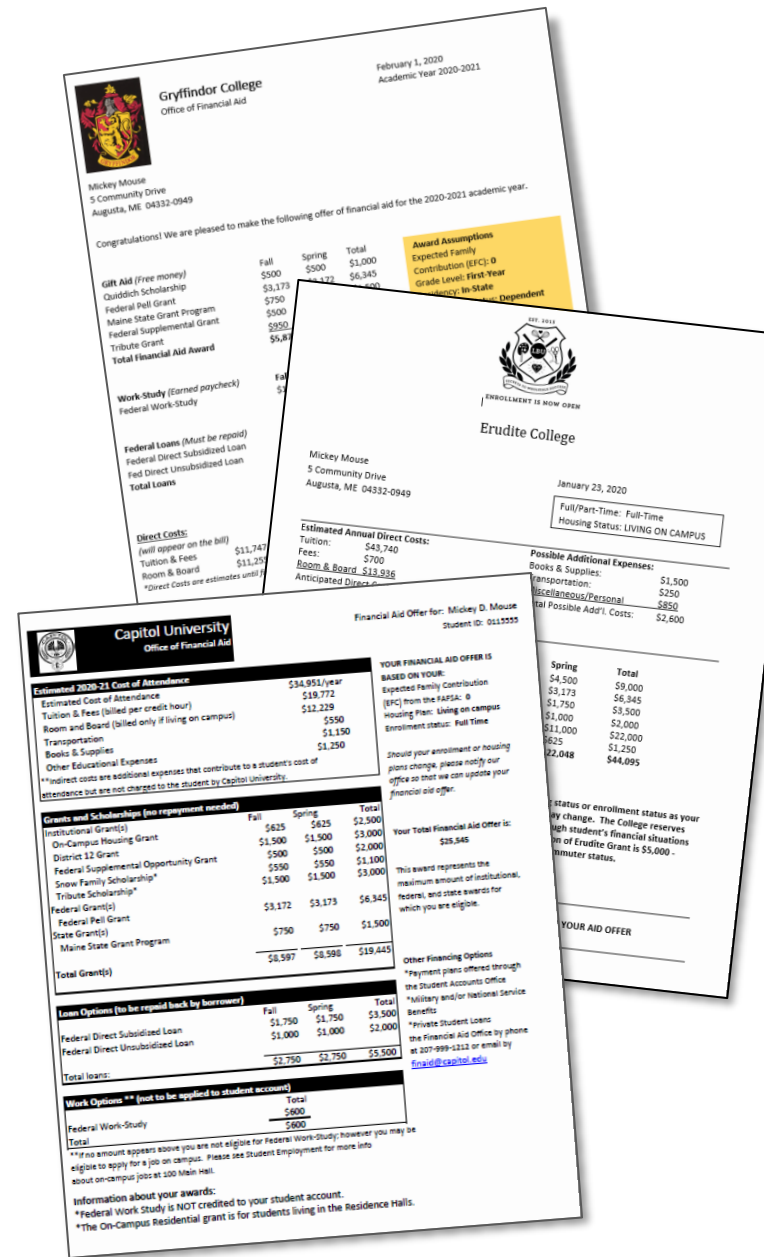
- ✓ The Financial Aid **Process**
- ✓ Financial Aid **Notification**
- ✓ Understanding the **Parts**
- ✓ **Comparing** FA Offers
- ✓ **Affordability** discussions



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

What is it?

- Paper document or electronic notification sent by Financial Aid Office **AFTER** student has been offered admission.
- The financial aid offer provides:
 - A breakdown of the **types** and **amounts** of financial aid offered



Gryffindor College
Office of Financial Aid
February 1, 2020
Academic Year 2020-2021

Mickey Mouse
5 Community Drive
Augusta, ME 04332-0949

Congratulations! We are pleased to make the following offer of financial aid for the 2020-2021 academic year.

	Fall	Spring	Total
Gift Aid (Free money)	\$500	\$500	\$1,000
Quiddich Scholarship	\$3,173	\$500	\$6,345
Federal Pell Grant	\$750	\$750	\$1,500
Maine State Grant Program	\$500	\$500	\$1,000
Federal Supplemental Grant	\$950	\$950	\$1,900
Tribute Grant	\$5,817	\$5,817	\$11,634
Total Financial Aid Award			\$34,851

Work-Study (Earned paycheck)
Federal Work-Study

Federal Loans (Must be repaid)
Federal Direct Subsidized Loan
Federal Direct Unsubsidized Loan
Total Loans

Direct Costs:
(will appear on the bill)
Tuition & Fees \$11,747
Room & Board \$11,250
*Direct Costs are estimates only

Award Assumptions
Expected Family Contribution (EFC): 0
Grade Level: First Year
Dependency: In-State

Erudite College
ENROLLMENT IS NOW OPEN
January 23, 2020
Mickey Mouse
5 Community Drive
Augusta, ME 04332-0949

Full/Part-Time: Full-Time
Housing Status: LIVING ON CAMPUS

Estimated Annual Direct Costs:
Tuition: \$43,740
Fees: \$700
Room & Board: \$13,516
Anticipated Direct Costs: \$58,956

Possible Additional Expenses:
Books & Supplies: \$1,500
Transportation: \$250
Miscellaneous/Personal: \$850
Total Possible Add'l. Costs: \$2,600

Capitol University
Office of Financial Aid
Financial Aid Offer for: Mickey D. Mouse
Student ID: 0115555

Estimated 2020-21 Cost of Attendance

	Fall	Spring	Total
Estimated Cost of Attendance	\$19,772	\$19,772	\$39,544
Tuition & Fees (billed per credit hour)	\$12,229	\$12,229	\$24,458
Room and Board (billed only if living on campus)	\$550	\$550	\$1,100
Transportation	\$1,150	\$1,150	\$2,300
Books & Supplies	\$1,250	\$1,250	\$2,500
Other Educational Expenses			
Total Estimated Cost of Attendance			\$39,544

Grants and Scholarships (not repayment needed)

	Fall	Spring	Total
Institutional Grant(s)	\$625	\$625	\$1,250
On-Campus Housing Grant	\$1,500	\$1,500	\$3,000
Disaster 12 Grant	\$500	\$500	\$1,000
Federal Supplemental Opportunity Grant	\$550	\$550	\$1,100
Snow Family Scholarship*	\$1,500	\$1,500	\$3,000
Tribute Scholarship*			
Federal Grant(s)	\$3,173	\$3,173	\$6,345
Federal Pell Grant	\$750	\$750	\$1,500
Maine State Grant Program	\$500	\$500	\$1,000
Total Grants	\$8,597	\$8,597	\$17,194

Loan Options (to be repaid back by borrower)

	Fall	Spring	Total
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Total Loans	\$2,750	\$2,750	\$5,500

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

	Fall	Spring	Total
Federal Work-Study	\$600	\$600	\$1,200
Total	\$600	\$600	\$1,200

YOUR FINANCIAL AID OFFER IS
BASED ON YOUR:
Expected Family Contribution (EFC) from the FAFSA: 0
Housing Plan: Living on campus
Enrollment status: Full Time

Your Total Financial Aid Offer is: \$28,548

Other Financial Options
*Payment plans offered through the Student Accounts Office
**Military and/or National Service Benefits
*Private Student Loans
the Financial Aid Office by phone at 207-999-1212 or email by faa@capitol.edu

Information about your awards:
*Federal Work Study is NOT credited to your student account.
*The On-Campus Residential grant is for students living in the Residence Halls.

How do schools determine the aid a student receives?

- All schools use the following formula:

$$\text{COA} - \text{EFC} = \text{NEED}$$

- The Cost of Attendance (**COA**) includes direct and indirect expenses.
- The Expected Family Contribution (**EFC**) is determined when the student files the FAFSA .
- Because COA varies, **need** varies by school.

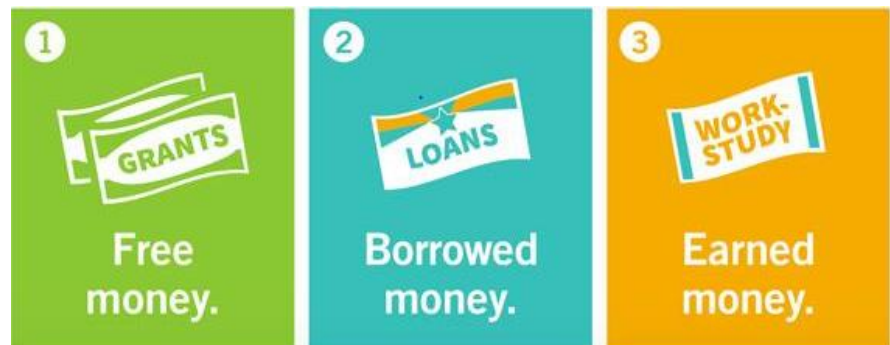
How do schools fill need?

- Schools attempt to fill need with a **combination** of types of aid from federal, state, and institutional sources.
- Often there is a “**gap**” between a student’s need and the financial aid offered.



What are the types of aid?

1. **Gift** Aid – grants and scholarships that don't have to be repaid
2. Federal Direct **Loans** – student loans that are not credit based but do have to be repaid
3. **Work-Study** – money available to be earned during the academic year



How and when will they arrive?

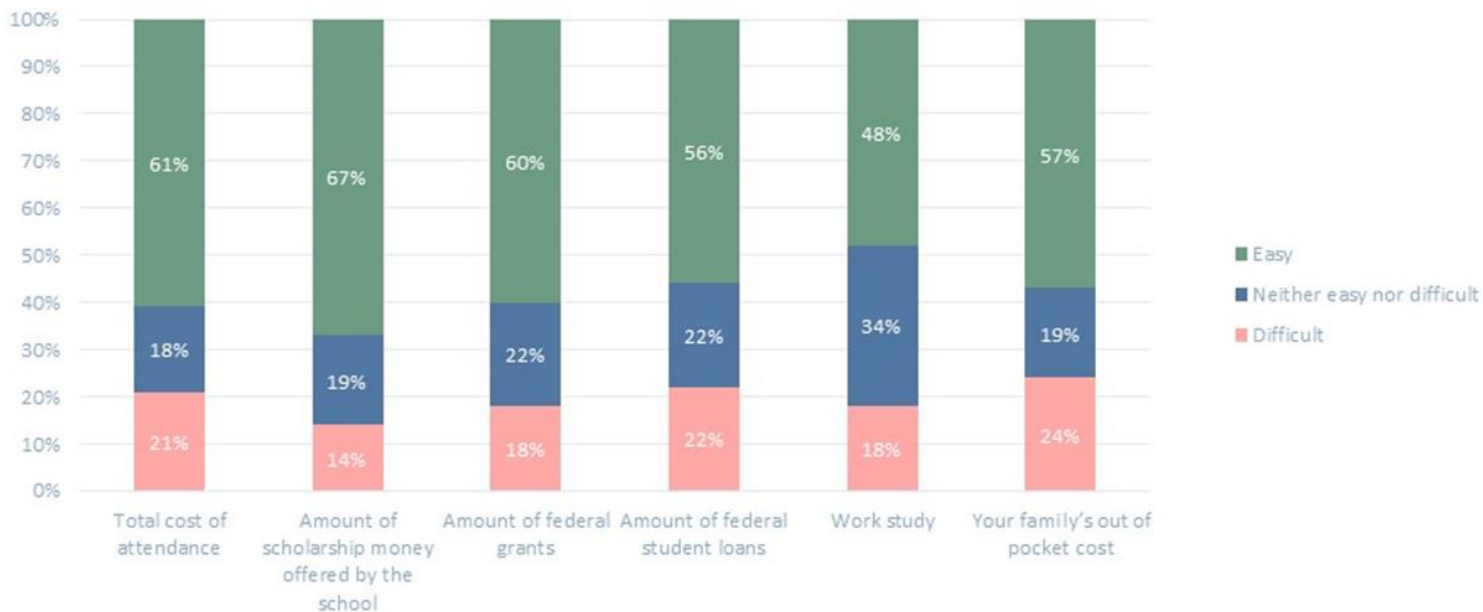
- Paper or email notification will be sent; usually just **one** paper letter
- FAOs working to get aid offers out ASAP; some arriving as we speak!



Financial aid offer letters are not well-understood

- 67% of families said they received a financial aid offer letter from the school the student is attending
- 43% of these families found at least 1 of the components 'difficult' to understand
- 16% didn't know that the aid offer letter might include loans

Ease of Interpreting the Financial Aid Award Letter



Financial aid offers are like the
apples and oranges, or apples and
apricots

....all round fruits, but they are
different. Let's examine some
differences!



What Information Might Be Included on the Offers?

So what information might be found on a financial aid offer?

- Types of aid
- Cost of attendance
- Assumptions used
- Calculation to help determine true cost
- **May** also include other funding options, notices, or next steps

Let's look at some examples!



Things to note from this offer:

- Aid is **broken down and totaled by category**
 - Gift Aid
 - Work-Study
 - Loans
- Cost of attendance
 - Direct Costs
 - Indirect Costs
- Assumptions listed
- Calculated estimated bill



Gryffindor College
Office of Financial Aid

February 1, 2020
Academic Year 2020-2021

Mickey Mouse
5 Community Drive
Augusta, ME 04332-0949

Congratulations! We are pleased to make the following offer of financial aid for the 2020-2021 academic year.

Gift Aid (Free money)	Fall	Spring	Total
Quiddich Scholarship	\$500	\$500	\$1,000
Federal Pell Grant	\$3,173	\$3,172	\$6,345
Maine State Grant Program	\$750	\$750	\$1,500
Federal Supplemental Grant	\$500	\$500	\$1,000
Tribute Grant	\$950	\$950	\$1,900
Total Financial Aid Award	\$5,873	\$5,872	\$11,745

Work-Study (Earned paycheck)	Fall	Spring	Total
Federal Work-Study	\$1,400	\$1,400	\$2,800

Federal Loans (Must be repaid)	Fall	Spring	Total
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Fed Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Total Loans	\$2,750	\$2,750	\$5,500

Direct Costs:
(will appear on the bill)

Tuition & Fees	\$11,747
Room & Board	\$11,255

*Direct Costs are estimates until finalized

Indirect Costs

(will not appear on the bill)

Books & Supplies	\$1,000
Travel & Miscellaneous	\$2,200
Loan Fees	\$70

Award Assumptions
Expected Family Contribution (EFC): 0
Grade Level: First-Year
Residency: In-State
Dependency Status: Dependent
Housing: On-Campus
Enrollment: 15 credits per semester

Estimated Gryffindor Bill
Estimated Direct Cost to Attend: \$23,002

Total Gift Aid - \$11,745

Estimated Remaining Cost \$11,257

Federal Loans - \$5,500

Estimated Remaining Cost (After Loans) - \$5,757

The enclosed information provides detailed information about reading your award, the types of aid in your award and estimating your cost. Please call us if you have questions. We are happy to help in any way we can!


Gryffindor College, NEASC Accredited
Manere tranquillitas



Things to note from this offer:

- Aid is **broken down and totaled by category**
 - Gift Aid
 - Work-Study
 - Loans
- Cost of attendance
 - Direct Costs
 - Indirect Costs
- Assumptions listed
- Other financing options





Capitol University
Office of Financial Aid

Financial Aid Offer for: Mickey D. Mouse
Student ID: 0115555

Estimated 2021-22 Cost of Attendance			
Estimated Cost of Attendance			\$34,951
Tuition & Fees (billed per credit hour)			\$19,772
Room and Board (billed only if living on campus)			\$12,229
Transportation			\$550
Books & Supplies			\$1,150
Other Educational Expenses			\$1,250
<small>**Indirect costs are additional expenses that contribute to a student's cost of attendance but are not charged to the student by Capitol University.</small>			

Grants and Scholarships (no repayment needed)			
Institutional Grant(s)	Fall	Spring	Total
On-Campus Housing Grant	\$1,250	\$1,250	\$2,500
District 12 Grant	\$1,500	\$1,500	\$3,000
Federal Supplemental Opportunity Grant	\$500	\$500	\$2,000
Snow Family Scholarship*	\$550	\$550	\$1,100
Tribute Scholarship*	\$1,500	\$1,500	\$3,000
Federal Grant(s)			
Federal Pell Grant	\$3,172	\$3,173	\$6,345
State Grant(s)			
Maine State Grant Program	\$750	\$750	\$1,500
Total Grant(s)	\$9,222	\$9,223	\$19,445

Loan Options (to be repaid back by borrower)			
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Total loans:	\$2,750	\$2,750	\$5,500

Work Options ** (not to be applied to student account)	
Federal Work-Study	Total \$600
Total	\$600

YOUR FINANCIAL AID OFFER IS BASED ON YOUR:

Expected Family Contribution (EFC) from the FAFSA: **0**

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 offer.

Your Total Financial Aid Offer is:

\$25,545

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 the Financial Aid Office by phone at 207-999-1212 or email by finaid@capitol.edu

**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:

*Federal Work Study is NOT credited to your student account.

*The On-Campus Residential grant is for students living in the Residence Halls.



Things to note from this offer:

- Aid is lumped together
 - **Not clear what has to be repaid or earned**
- Cost of attendance
 - Direct Costs
 - Indirect Costs
- Some assumptions listed



ENROLLMENT IS NOW OPEN

Erudite College

Mickey Mouse
5 Community Drive
Augusta, ME 04332-0949

January 23, 2020

Full/Part-Time: Full-Time
Housing Status: LIVING ON CAMPUS

Estimated Annual Direct Costs:

Tuition: \$43,740
Fees: \$700
Room & Board \$13,936
Anticipated Direct Costs: \$58,376*

Possible Additional Expenses:

Books & Supplies: \$1,500
Transportation: \$250
Miscellaneous/Personal \$850
Total Possible Add'l. Costs: \$2,600

Offered Financial Aid:

Source	Fall	Spring	Total
Erudite College Grant	\$4,500	\$4,500	\$9,000
Pell Grant	\$3,172	\$3,173	\$6,345
Federal Direct Subsid Stafford Loan #1	\$1,750	\$1,750	\$3,500
Federal Direct Unsub Stafford Loan #2	\$1,000	\$1,000	\$2,000
Distinguished Scholarship	\$11,000	\$11,000	\$22,000
Campus Work Study	\$625	\$625	\$1,250
Total Financial Aid Award	\$22,047	\$22,048	\$44,095

Approximate Annual Billable Cost after Aid: \$15,531

You must notify the Financial Aid Office if you change your housing status or enrollment status as your financial aid, specifically any need-based Erudite College funding may change. The College reserves the right to adjust your aid at any point in time in such cases. Although student's financial situations are reviewed individually as a point of reference, the typical reduction of Erudite Grant is \$5,000 - \$8000 per year when a student switches from campus resident to commuter status.

*Annual Direct Costs will be finalized mid-February

SEE REVERSE SIDE FOR IMPORTANT INFORMATION ABOUT YOUR AID OFFER

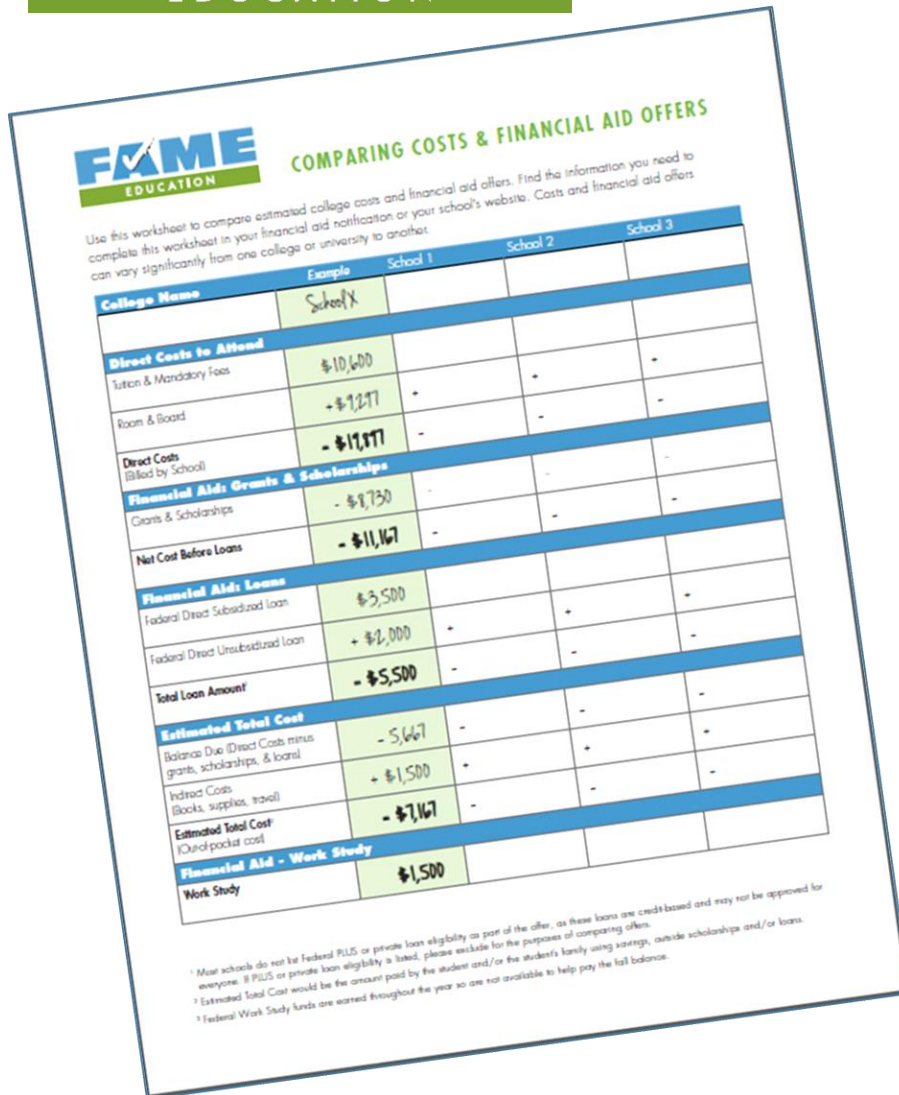


Let's talk about how
to compare financial
aid offers to find the
bottom line.

Comparing Financial Aid Offers

Tools exist to help students compare offers:

- FAME's **Comparing Financial Aid Offers** worksheet
- **Informational**, animated videos on our website
- Online tools, Excel spreadsheet, etc.
- Smart gadget "App"



Use this worksheet to compare estimated college costs and financial aid offers. Find the information you need to complete this worksheet in your financial aid notification 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
Direct Costs to Attend				
Tuition & Mandatory Fees	\$10,600			
Room & Board	+ \$1,271	+	+	+
Direct Costs (Billed by School)	- \$11,871	-	-	-
Financial Aid: Grants & Scholarships				
Grants & Scholarships	- \$1,730	-	-	-
Net Cost Before Loans	- \$11,167	-	-	-
Financial Aid: Loans				
Federal Direct Subsidized Loan	\$3,500			
Federal Direct Unsubsidized Loan	+ \$2,000	+	+	+
Total Loan Amount	- \$5,500	-	-	-
Estimated Total Cost				
Balance Due (Direct Costs, minus grants, scholarships, & loans)	- \$6,667	-	-	-
Indirect Costs (Books, supplies, travel)	+ \$1,500	+	+	+
Estimated Total Cost* (Out-of-pocket cost)	- \$7,167	-	-	-
Financial Aid - Work Study				
Work Study	\$1,500			

* Most schools do not list Federal PLUS or private loan eligibility as part of the offer, as these loans are credit-based and may not be approved for everyone. If PLUS or private loan eligibility is listed, please include for the purposes of comparing offers.
 ** Estimated Total Cost would be the amount paid by the student and/or the student's family using savings, outside scholarships and/or loans.
 *** Federal Work Study funds are awarded throughout the year so are not available to help pay the full balance.



Comparing Financial Aid Offers



COMPARING COSTS & FINANCIAL AID OFFERS

Use this worksheet to compare estimated college costs and financial aid offers. Find the information you need to complete this worksheet in your financial aid notification 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	Capitol	Erudite
Direct Costs to Attend				
Tuition & Mandatory Fees	\$10,600	11747	19772	43740
Room & Board	+ \$9,297	+ 11255	+ 12229	+ 13936
Direct Costs (Billed by School)	- \$19,897	- 23002	- 32001	- 57676
Financial Aid: Grants & Scholarships				
Grants & Scholarships	- \$8,730	- 11745	- 20445	- 37345
Net Cost Before Loans	- \$11,167	- 11257	- 11556	- 20331
Financial Aid: Loans				
Federal Direct Subsidized loan	\$3,500	3500	3500	3500
Federal Direct Unsubsidized loan	+ \$2,000	+ 2000	+ 2000	+ 2000
Total Loan Amount¹	- \$5,500	- 5500	- 5500	- 5500
Estimated Total Cost				
Balance Due (Direct Costs minus grants, scholarships, & loans)	- 5,667	- 5757	- 6056	- 14831
Indirect Costs (Books, supplies, travel)	+ \$1,500	+ 3270	+ 2950	+ 2600
Estimated Total Cost² (Out-of-pocket cost)	- \$7,167	- 9027	- 9006	- 17431
Financial Aid - Work Study				
Work Study	\$1,500	2800	600	1250

¹ Most schools do not list Federal PLUS or private loan eligibility as part of the offer, as these loans are credit-based and may not be approved for everyone. If PLUS or private loan eligibility is listed, please exclude for the purposes of comparing offers.

² Estimated Total Cost would be the amount paid by the student and/or the student's family using savings, outside scholarships and/or loans.

³ Federal Work Study funds are earned throughout the year so are not available to help pay the fall balance.

Which is the most affordable option?

Direct Costs

- Grants and scholarships

=Net Price

Net Price: What you pay the school for one year of college

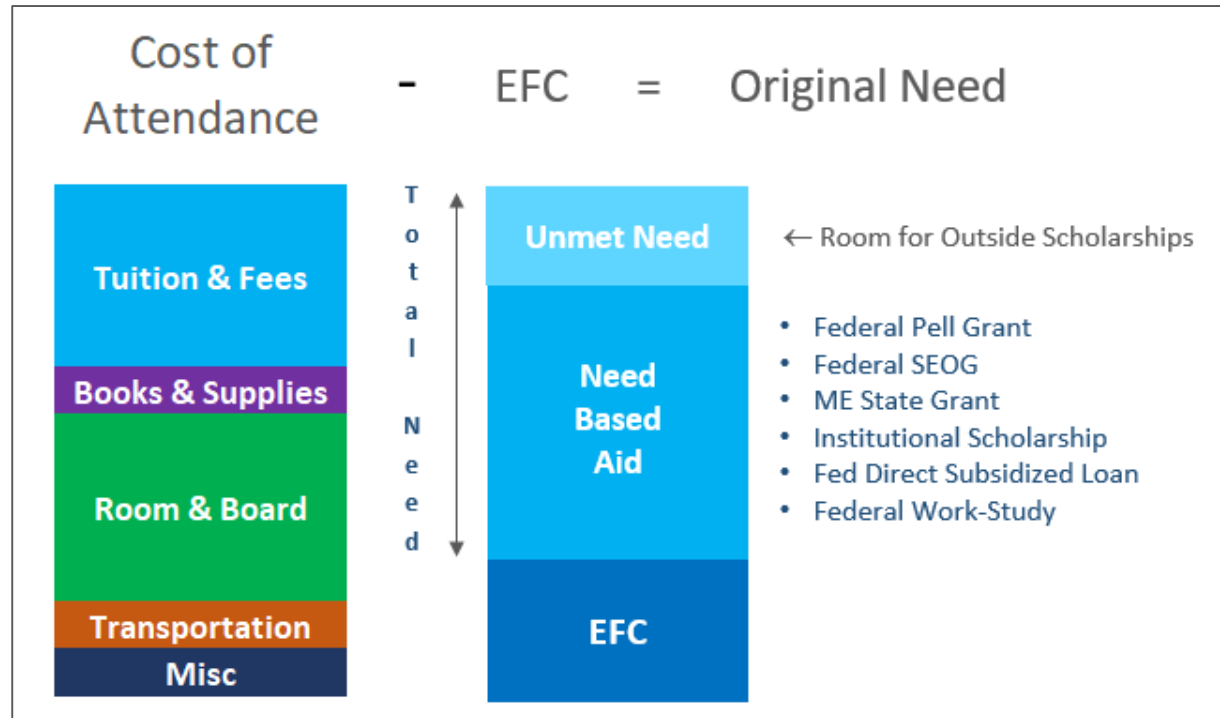
Encourage students to consider the following:

- Is any of the aid on the financial aid offer **renewable**?
 - Amounts may differ in subsequent years
- Costs could **increase** each year
 - Tuition, room & board, fees



Other important
considerations!

- **Different** process at each school
- **Unmet need** filled first in most cases
- **Impact** on financial aid offer generally minimal!



BUSTED

Scholarships

- **Loan or work study** eligibility typically reduced first when possible.
- Schools may **swap** institutional funds if student receives outside scholarship.
- **ALWAYS** better to get as many outside scholarships as possible than to worry about aid impact.
- **More** scholarships = fewer loans!
- **Ask** questions – have student call financial aid office to ask about scholarship impact.



Other Considerations

- How many **years** will the student be in school?
- Will the plan for year one be feasible for years 2-4 or more?
- Consider **entire cost of education** vs. first year earnings.
 - Check out FAME's Salary/Debt calculator.
 - Every \$10,000 borrowed translates to a payment of about \$100 per month for 10 years.
- What **living options** make sense to keep the costs down?



Discussing affordability

- Choosing a college is a **huge** financial investment
 - The process can be very anxiety inducing for students and families (but it doesn't have to be!)
- **Early** conversations are best (while “building the list”) but seeing the practical numbers helps
- Having **options** is important



- Aid offers all look **different**
 - More aid types listed doesn't always equal a "better" package
- Doing the math is the best way to find and compare the **bottom line**
- Higher education is a **long-term** financial investment
 - Total program costs & potential debt should be considered

The Path to Affording HIGHER EDUCATION



The key to affording higher education is to start planning early. The longer families have to save, the better, and starting early also gives families more time to get "financially fit." Early planning can also help students understand the importance of good grades and the role of scholarships. Follow the path to see how you can better plan ahead to afford higher education!



CONVERSATION STARTERS

Savings, Direct Payments, and Tuition Payment Plans

- ☐ Are you (the parents or family members) saving for higher education? If so, how much will be available when your student graduates from high school?
- ☐ Are you (the student) saving for higher education? What are the savings expectations when you receive birthday or holiday gifts or money from work?
- ☐ Do you (the parents or family members) plan to use tuition payment plans to help pay for higher education? If so, how much per month can you afford? Is there a strategy to make more money available? Is it possible to pay down debt or other obligations to free up money in the future?
- ☐ Considering all sources, how much can you (parents or family members) contribute per year?
- ☐ Considering all sources, how much can you (the student) contribute per year?

Scholarships

- ☐ Are you (the student) applying for scholarships? What is the expectation related to the number of applications?
- ☐ Do your grades open up the possibility of merit-based scholarships?

Borrowing

- ☐ How do you feel about borrowing? No borrowing? Limit borrowing to only Federal Direct Loans (\$5,500 for the first year)? Will you consider additional borrowing (which will have a credit component)? Are parents or family members willing to co-sign a private loan?
- ☐ How much total debt is acceptable (for all years of education)?
- ☐ Who will be responsible for repaying the debt?

Pathways

- ☐ Is there agreement that you (the student) can apply to any school, including those that appear to be a financial reach? What happens if you get accepted but it is not affordable?
- ☐ Are you (the student) open to considering multiple pathways (i.e., community college for a year or two, starting at a more affordable school with a plan to transfer, or attending school locally and living at home)?

Have questions? FAME has resources and knowledgeable teams who can help. Reach out!

WEB
FAMEmaine.com
NextGenforME.com

SOCIAL
 /FAMEmaineorg
 @FAME.Maine
 @FAMEmaine
 /FAMEmaine



- Encourage students/families to **compare** aid offers and understand the **bottom line**.
 - FAME can help virtually via 1:1 Zoom
- We are happy to have the “real talk” so you don’t have to!
- Weave in affordability discussions **early** and **often**
 - Return on investment
 - Long-term costs

- Join us for February's Wednesday Webinar: **Tips to Afford College After Financial Aid is Offered**
 - What to look for on the college **bill**
 - Types and strategies for **paying the balance**
 - **Scholarship** tips



February 9, 2022



Thank you for joining us today! Find more FREE resources and information at FAMEmaine.com/education.

Follow us:



Contact: mmacdougal@FAMEmaine.com

PH: 207-620-3535 or 800-228-3734

TTY: 207-626-2717