

FINANCIAL AID 101



START HERE
GO FURTHER
FEDERAL STUDENT AID®



TOPICS

- What is Financial Aid?
- Types of Financial Aid
- Sources of Financial Aid
- What is financial need?



TOPICS

- Financial Aid Eligibility
- Applying for Financial Aid
- Frequent FAFSA Errors
- Essentials
- Contact Information



WHAT IS FINANCIAL AID?



- Money provided to a student (or parents) to assist in paying for post-secondary education.
- Gift Aid and Self-Help Aid
- Need-Based and Merit-Based

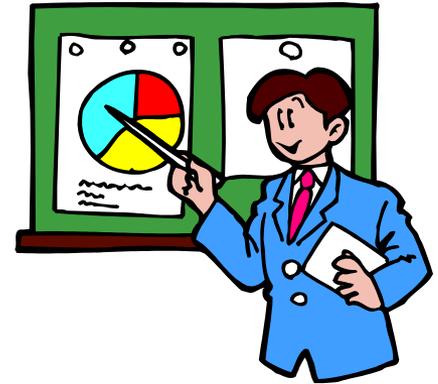
TYPES OF FINANCIAL AID

Gift Aid

- Grants (typically need based)
- Scholarships

Self-Help Aid

- Loans
- Federal Work Study (Employment)



What is a Grant?

- Money that does not have to be paid back
- Usually awarded on the basis of financial need



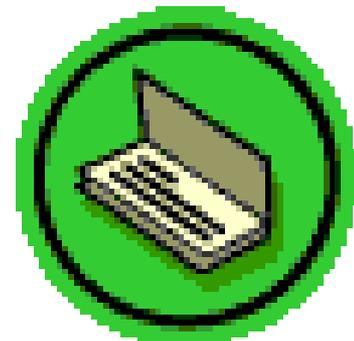
What is a Scholarship?

- Money that does not have to be paid back
- Awarded on the basis of merit, skill, or unique characteristic



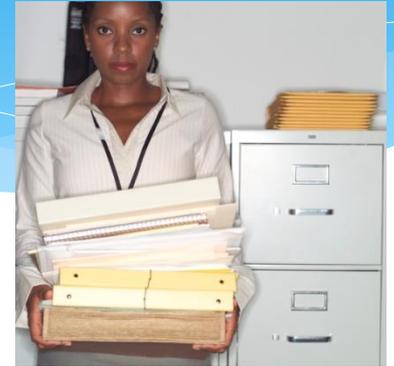
Loans

- Money students and/or parents borrow to help pay college expenses
- **Repayment**
 - Varies from 60 days after disbursement to 9 months after the student is no longer attending college at least half-time
- Don't borrow more than you need to meet education expenses



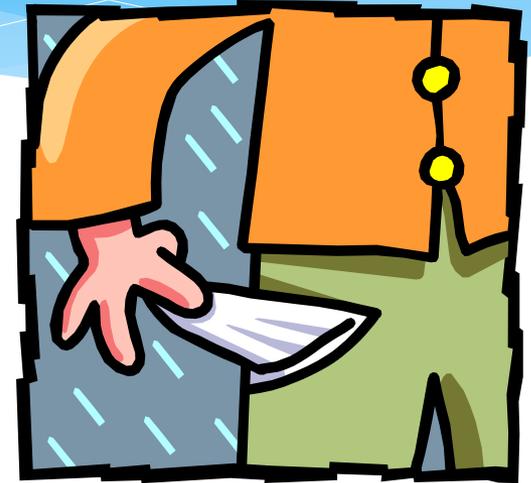
Federal Work Study

- Is campus- based program
 - Part –time jobs (20 hours or less)
 - Off campus- non profit agency
- No annual minimum or maximum
- Demonstrated financial need (FAFSA)
- Campus- based
 - Recipients determined by financial aid office
 - Limited number of work study positions



Need-Based Aid

- Based on the financial position of the family.
- The information supplied on the FAFSA is used to determine the amount the of **Expected Family Contribution –EFC.**



Merit-Based Aid

- Based on how well the student has performed in some area (academics, athletics, band, music, etc.).
- The award has nothing to do with the financial position of the family.



SOURCES OF FINANCIAL AID



Federal Grants

- Pell Grant up to \$5,730
- Federal Supplemental Educational Opportunity Grant up to \$4,000
- Teacher Education Assistance up to \$4,000



Maryland Grants

➤ Howard P Rawlings

Guaranteed Access Grant (GAG) up to \$17,500

➤ Howard P Rawlings

Educational Assistance Grant up to \$3,000

➤ Part-time Grant

up to \$2,000



Finding Scholarships



- Internet [searches-](#)
- High School Guidance Office-Your school's guidance office receives information about various scholarships
- College/University
&<http://cms.montgomerycollege.edu/edu/plain.aspx?id=5387>
Financial Aid Offices-Check with the financial aid office at all of the institutions to which apply
- Maryland
- [Private](#) (professional organizations, employers, civic organizations, etc.)

Scholarship- Internet Searches

- <http://www.tuitionfundingsources.com/>
- <http://www.finaid.org/>
- <http://www.findtuition.com/>
- <http://www.fastweb.com/>
- <http://go.salliemae.com/scholarship/>
- <http://www.usscholarshipguide.org/>
- <http://www.careerinfonet.org/scholarshipsearch/ScholarshipCategory.asp?searchtype=category&nodeid=22>
- http://www.uncf.org/sections/ForStudents/SS_Scholarships/scholarships.asp



Maryland Scholarships

➤ [Senatorial](#)

Amount Varies

➤ [Delegate](#)

Amount Varies

➤ Elected [officials](#)



Finding More Scholarships



- Private (professional organizations, employers, civic organizations, etc.)

Based on your career goal

Inquire with your or your parent's employer

Civic organizations- NAACP, Rotary, house of worship, etc.

Federal Student Loan Programs

➤ **Perkins Loan**

\$5,500 a year (not to exceed a total of \$27,500)

5% interest rate (2015-2016)

Exceptional financial need

Repayment begins 9 months after dropping below half-time

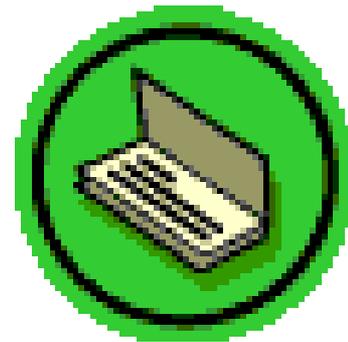
➤ **William D Ford Direct Student Loan (Direct Loan)**

\$5,500 - 7,500 (depending on grade level)

Can be subsidized or unsubsidized

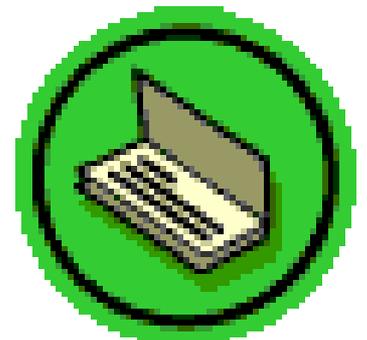
Repayment begins 6 months after dropping below half-time

4.29% interest rate (2015-2016)



Subsidized and Unsubsidized

- **Subsidized:** Borrower is not responsible for the interest while in an in-school, grace, or deferment status. Must demonstrate financial need. *Interest rate 4.66 (2015-2016)*
- **Un-subsidized:** Borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan. Financial need is not required. *Interest rate 4.66 (2015-2016)*



Direct PLUS Loan Program

- Based on parents' credit rating
- Interest rate 6.84% (2015-2016)
- Maximum amount is equal to cost of attendance minus financial aid
- Repayment can begin 60 days after disbursement
- Can request a deferment until graduation or 6 months after no longer attending at least half-time
- Unsubsidized only

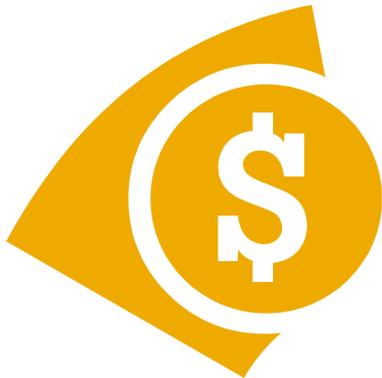


WHAT IS FINANCIAL NEED?

Cost of Attendance (COA)

– Expected Family Contribution

= Financial Need (Gapping)



Cost of Attendance

Direct costs-

- Tuition and fees
- Room and board

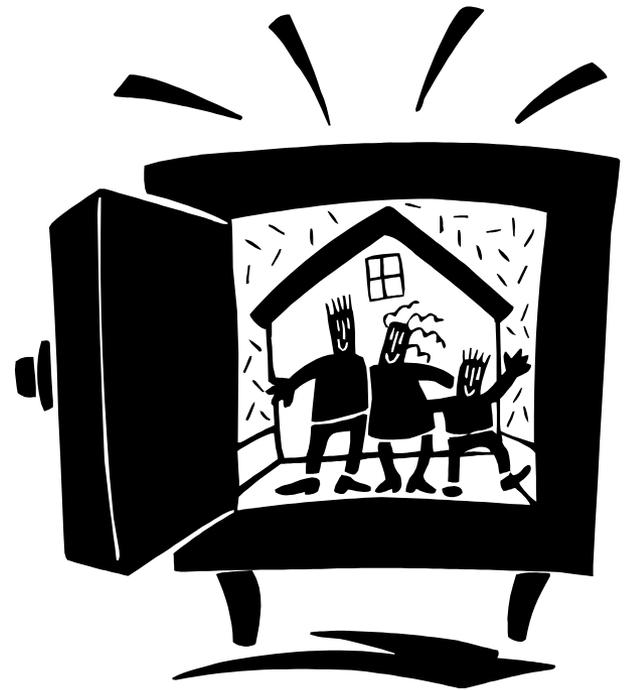
Indirect costs-

- Books and supplies
- Transportation
- Personal expenses



Expected Family Contribution

- Parental income
- Parental assets
- Student income
- Student assets



Expected Family Contribution

Student's Contribution

Total Income less taxes paid

- Income protection allowance=\$4,500

x 50% assessment rate

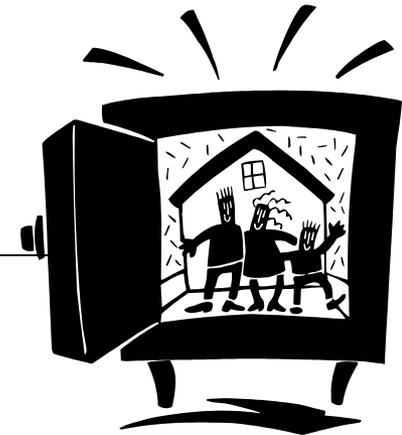
= Student's contribution from income

+ 20% of assets

= Student's contribution

[College Board EFC Calculator](#)

[FAFSA4Caster](#)



COA- EFC = Financial Need



	On-Campus Private	On-Campus Public	Commuter Public	Community College
Costs	\$40,000	\$18,000	\$8,500	\$5,000
EFC	\$2,000	\$2,000	\$2,000	\$2,000
Need	\$38,000	\$16,000	\$6,5000	\$3,000

Award Letter

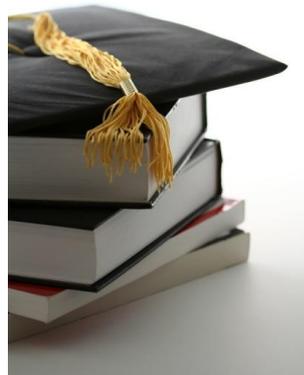
Type of Award	Fall	Spring	Total
Gift Aid			
A D Education Opportunity Grant	\$1,250	\$1,250	\$2,500
A D Federal Pell Grant	\$891	\$890	\$1,781
Self Help Aid - Need Based			
Federal Work Study	\$1,500	\$1,500	\$3,000
Need Based Loan(s) - Repayable			
A D Federal Perkins Loan-Undergrad	\$1,000	\$1,000	\$2,000
A D Subsidized Stafford Loan	\$1,000	\$1,000	\$2,000
Non Need Based Loan(s) - Repayable			
A D Subsidized Stafford Loan	\$1,750	\$1,750	\$3,500
A D Unsubsidized Stafford Loan	\$500	\$500	\$1,000
A D Unsubsidized Stafford Loan	\$500	\$500	\$1,000
	\$8,391	\$8,390	\$16,781

**Stafford loans are subject to up to 3% loan origination and guarantee fees that will be deducted from each loan disbursement.*

Date

FINANCIAL AID ELIGIBILITY

- Accepted/enrolled in a eligible program
- Pursuing degree, certificate or other recognized program
- US Citizen or eligible non-citizen with SSN
- Male- registered with Selective Service



Financial Aid Timeline



SENIOR YEAR

- December – [MDCAPS](#) [FSA ID](#)
- January – February Complete Financial Aid Applications
- February – April Receive Award Letters
- May 1st Finalize decision

APPLYING FOR FINANCIAL AID

- Research Federal, Maryland State Financial Aid and college/university aid Programs
- Do you need to complete the [CSS Profile](#)?
- Get a FSA ID for parent and student
<https://fsaid.ed.gov/npas/index.htm>
 - Complete and submit appropriate application(s)
- Provide accurate information
- Apply on or before program deadline(s)
- Keep a copy of submitted materials



What You Will Need to Apply

- Parent(s) and student social security number
- The student's alien registration number (if applicable)
- Date of birth for parent(s) and student
- Date of parent marital status
- Parent(s) and student 2014 W-2 form
- Student's driver's license number (if applicable)



What Else You Will Need to Apply



- Record of any untaxed income (child support, unemployment, temporary cash assistance, etc.)
- Record of stocks, bonds and any other investments
- Checking and savings balance (day of completion)
- Business or farm records
- Names of colleges/universities student has or plans to apply to

FREQUENT FAFSA ERRORS

- Social Security Numbers
- Divorced/remarried parental information
- Income earned by parents/stepparents
- Untaxed income
- U.S. income taxes paid
- Household size
- Number of household members in college
- Real estate and investment net worth



ESSENTIALS

- Know what to file
- Know when to file (Deadlines)
- Call the college/university's financial aid office with any questions
- Keep a record of everything!!
- [Additional information](#)
- [More information](#)
- [One more](#)



CONTACT INFORMATION



START HERE
GO FURTHER
FEDERAL STUDENT AID

US Department of Education Office of Student

- ✓ Telephone number: 1-800-4-FED-AID
- ✓ Web address: www.fafsa.gov
- ✓ Web address FSAID <https://fsaid.ed.gov/npas/index.htm>
- ✓ Web address Student Aid: <http://studentaid.ed.gov>

Maryland Office of Financial Assistance

- ☑ Telephone number: 410-260-4565
- ☑ Toll free number: 1-800-974-1024
- ☑ Web address: www.mhec.state.md.us

