

**CONGRESSMAN FRANK PALLONE, JR.
FAFSA WORKSHOP**

Rutgers University
November 2015

Today's Topics

- FSA Mission and Myths
- Federal Financial Aid Programs
- The FAFSA: When and How to Apply
- What to Expect After Applying
- Questions

Sources of Money for College

- ❑ Federal government
- ❑ State government
- ❑ Colleges and universities
- ❑ Private foundations
- ❑ Employers and private companies
- ❑ Professional and service organizations

What can college do for me?

- More Money
- More Job Opportunities
- More Freedom



\$\$\$\$

- Fact: On average, a person who goes to college earns more money than a person who doesn't.
- Over a lifetime a college graduate can earn over \$1,000,000 more than a high school graduate

What is Financial Aid?



Financial Aid is any grant or scholarship, loan, or paid employment offered to help a student meet his/her college expenses.

Myths About Financial Aid

“...my parents make too much money, so I won’t qualify for aid.”

Reality: There is no income cutoff to qualify for federal student aid.

Myths About Financial Aid

“...the form is too hard to fill out.”

Reality: The FAFSA is easier than ever, especially if you fill it out online at www.fafsa.gov

3 Types of Federal Student Aid

1



Free money.

Grants are usually based on financial need and don't have to be repaid.

2



Borrowed money.

Loans are an investment in your future. But remember, they must be repaid with interest.

3



Earned money.

A **work-study** job lets you earn money while you're in school.

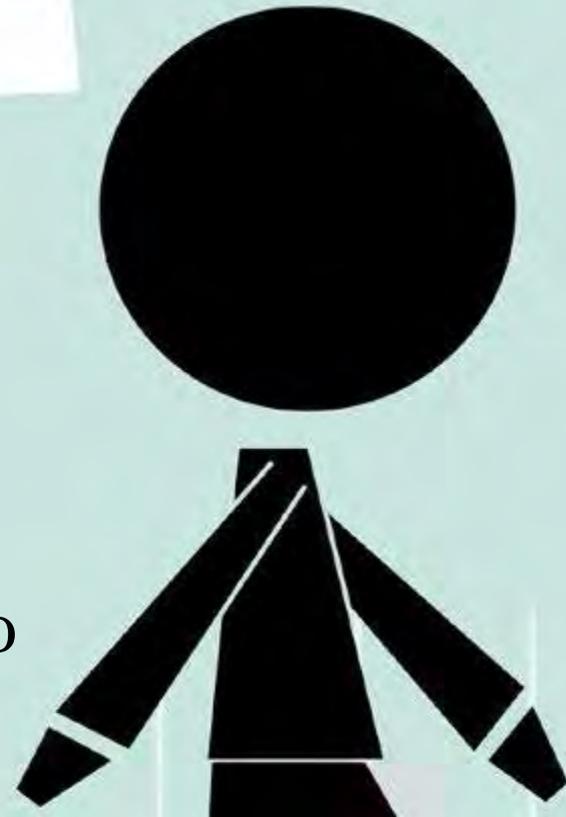
There is more than \$150 billion available in federal aid to help students pay for college

Grants

- **Federal Pell Grant**
- **Federal Supplemental Education Opportunity Grant (FSEOG)**
- **Teacher Education Assistance for College and Higher Education (TEACH)**
- **Iraq/Afghanistan Service Grant**



Work-Study



Provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses.

Loans

- **Subsidized Direct Loan**
- **Unsubsidized Direct Loan**
- **PLUS Direct Loans (Parents)**



Stafford Direct Loans

Subsidized Loans

- Government **PAYS** the accrued interest while you are attending college and other eligible periods
- **Based on Financial Need**
- Fixed Rate
- Undergraduate students
- Amount: **\$3,500-\$8,000**

Unsubsidized Loans

- The borrower is responsible for the interest for the life of the loan
- **NOT Based on Financial Need**
- Fixed Rate
- Undergraduate and graduate students qualify
- Amount: **\$5,500-\$20,500**

Interest Rates for Federal Loans

	Interest Rate (First Disbursed between July 1, 2015 and June 30, 2016)	Repayment	Additional Info
Federal Stafford/ Direct Loan Undergraduate	Subsidized 4.29% Unsubsidized 4.29% Fixed	6 months after school	Subsidized: no interest charged while in school Unsubsidized: interest accrues while in school
Federal Stafford/ Direct Loan Graduate	Unsubsidized 5.84% Fixed	6 months after school	Unsubsidized interest accrues while in school
Federal Direct PLUS Loan (Parents, Graduate & Professional)	6.84% Fixed Direct Lending Schools	May be deferred until 6 months student drop ½ time or 60 days after loan is fully disbursed	Interest accrues while student is in school

Financial Aid 101

The FAFSA: When and How to apply

FAFSA 101

Free
Application
for
Federal
Student
Aid

FAFSA Overview

- Must complete the FAFSA every year to receive federal student aid
- Both the student and the parent need an FSA ID
- Students are encouraged to file their FAFSA as soon as possible starting **January 1st** of their senior year in high school
- The earlier the better!!!



Home



About Us



FSA ID



StudentAid.gov



Help

SEARCH

English

Español

Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)



New to the FAFSA?

**Start A New
FAFSA**

Returning User?

- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

Login

Basic Eligibility Requirements

Students must have:

- Have a high school diploma, GED certificate, or have completed homeschooling. If you don't, you may still be eligible for federal student aid if you were enrolled in college or career school prior to July 1, 2012. Go to <http://studentaid.ed.gov/eligibility/basic-criteria> for additional information
- A Social Security Number (with limited exceptions)
- U.S. citizenship or be an eligible non-citizen
- Registered with the Selective Service (Males)

Students also need to:

- Be enrolled or accepted for enrollment in an eligible program
- Be pursuing a degree, certificate or credential
- Maintain 'Satisfactory Academic Progress'

FAFSA Dependency Status

If any of the following criteria applies, the student is considered independent:

- ✓ 24 years or older
- ✓ Married
- ✓ Pursuing a Master's or Doctorate Program
- ✓ Children and you provide ½ support
- ✓ In foster care since turning the age of 13
- ✓ Emancipated minor
- ✓ Currently or was in legal guardianship
- ✓ Homeless or self supporting and at risk of being homeless
- ✓ Veteran or serving active duty in U.S. Armed Force

Special Circumstances

- Some examples of special circumstances are:
 - Parents are incarcerated
 - Left home due to an abusive family environment
 - Unsure of parents whereabouts
- Circumstances must be well documented
- Financial aid office has final say (professional judgement)



PREPARING FOR THE FAFSA®

The FAFSA asks questions about you and your finances, so have the information below handy.

Don't have all your info ready yet? That's okay; you can start the FAFSA, save it, and come back later to finish it. (To find out whether you need to report info about your parents, visit StudentAid.gov/dependency.)

GATHER THIS INFORMATION



Social Security
number

A# 123-456-789

Alien registration
number



Federal tax
information
or tax returns



Records of
untaxed income



Cash, savings, and
checking account
balances



Investments other
than the home in
which you live

IRS Data Retrieval Tool

- Transfer tax information directly into the FAFSA
- Takes 2-3 weeks for information to become available in Retrieval Tool Database
- Easiest way to provide tax information but **NOT** required
- Usually available early February 2016

What To Expect

Student completes the FAFSA and signs with FSA ID

FAFSA is processed by FSA; Student receives a SAR; College receives information if listed on the FAFSA

College reviews info and assembles award package for the student

Student reviews award package; compares to other award letters; student determines which college to attend

After the FAFSA Submission

- Remind students to check their emails and regular mail for SAR
- Update and make corrections to FAFSA if necessary
- Be proactive and follow-up with the schools for award letter
- Still look for scholarships

College Costs and Financial Need

Cost of Attendance

- Tuition & Fees
- Room & Board
- Books & Supplies
- Equipment & Transportation
- Miscellaneous Personal Expenses
- Child Care

$$\begin{array}{r} \text{Parent Contribution} \\ + \text{ Student Contribution} \\ \hline = \text{Expected Family} \\ \text{Contribution (EFC)} \end{array}$$

$$\begin{array}{r} \text{Cost of Attendance (COA)} \\ - \text{ Expected Family Contribution} \\ \text{(EFC)} \\ \hline = \text{Financial Need} \end{array}$$

Sample Award Letter

Financial Need = \$16,000

Scholarships	\$2,000
Institutional Grant	\$2,000
Federal Grants	\$5,000
State Grants	\$2,000
Federal Student Loans	\$2,000

TOTAL = \$13,000

Unmet Need = \$3,000

FAFSA Updates

CHANGES TO THE FAFSA® PROCESS FOR 2017-18

SUBMIT A FAFSA EARLIER: Students will be able to file a 2017–18 FAFSA as early as Oct. 1, 2016, rather than beginning on Jan. 1, 2017. The earlier submission date will be a permanent change, enabling students to complete and submit a FAFSA as early as October 1 every year. (There is NO CHANGE to the 2016–17 schedule. The 2016-17 FAFSA will become available January 1, 2016.)

USE EARLIER INCOME INFORMATION: Beginning with the 2017–18 FAFSA, students will report income information from an earlier tax year. For example, on the 2017–18 FAFSA, students (and parents, as appropriate) will report their 2015 income information, rather than their 2016 income information. The following table provides a summary of key dates as we transition to using the early FAFSA submission timeframe and earlier tax information.

IF YOU PLAN TO ATTEND COLLEGE FROM	YOU CAN SUBMIT THE FAFSA FROM	USING TAX INFORMATION FROM
July 1, 2015–June 30, 2016	January 1, 2015–June 30, 2016	2014
July 1, 2016–June 30, 2017	January 1, 2016–June 30, 2017	2015
July 1, 2017–June 30, 2018	October 1, 2016–June 30, 2018	2015
July 1, 2018–June 30, 2019	October 1, 2017–June 30, 2019	2016

Schools Listed on 2016-2017 FAFSA No Longer Seen by Schools

- Previously, schools were able to see all of the schools a student listed on their FAFSA.
- Starting with the 2016-2017 FAFSA, schools are no longer able to see any of the other schools a student listed on their FAFSA
- The schools listed will only appear on the Student Aid Report (SAR) which only available to the student and the Institutional Student Information Record (ISIR) for that state for grant purposes.



WHAT HAPPENED TO THE FEDERAL STUDENT AID PIN?

The FSA ID replaced the Federal Student Aid PIN on May 10, 2015. The main reason we made the change was to increase security. If you haven't logged in to a Federal Student Aid site (such as fafsa.gov or StudentLoans.gov) since May 10, you will need to create an FSA ID before you can log on in the future. Go to StudentAid.gov/fsaid to create your FSA ID.



WHERE CAN I USE MY FSA ID?



fafsa.gov

- Electronically sign your (or your child's) FAFSA.
- Import your tax information from the Internal Revenue Service.
- Prefill data in this year's FAFSA if you filed a FAFSA last year. That's called filling out a Renewal FAFSA.
- Make online corrections to an existing FAFSA.
- View or print an online copy of your *Student Aid Report (SAR)*.

StudentAid.gov/login
or nslds.ed.gov

- View a history of any federal student aid that you have received.
- Look up your loan servicer's contact information.

StudentLoans.gov

- Complete entrance counseling, the *Financial Awareness Counseling Tool*, or exit counseling.
- Electronically sign a master promissory note (MPN).
- Complete PLUS loan requests.
- Estimate your student loan payments using the *Repayment Estimator*.
- Apply for an income-driven repayment plan or a consolidation loan.

teach-ats.ed.gov

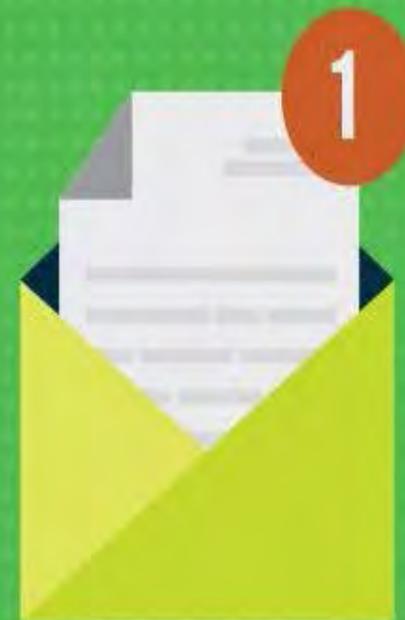
- Sign your Agreement to Serve for the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program.

PARENTS AND STUDENTS CANNOT USE THE SAME E-MAIL ADDRESS WHEN REGISTERING FOR AN FSA ID



Email **parent123@e-mail.com**

AN FSA ID CAN ONLY BE ASSOCIATED WITH 1 E-MAIL ADDRESS



Email **student123@e-mail.com**

Federal Student Aid Resources

www.StudentAid.gov

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Types of Aid

Who Gets Aid

FAFSA: Apply for Aid

Repay Your Loans

Minds can achieve anything. We make sure they get to college.
At Federal Student Aid, we make it easier to get money for higher education.



Learn about exploring careers, choosing and applying to schools, and taking required tests. Use checklists to help get ready.



Read about the types of financial aid available from the government and other sources: grants, scholarships, loans, and work-study.



Most people are eligible for financial aid. Find out who gets aid, how to stay eligible, and how to get eligibility back if you've lost it.



Learn how to submit your Free Application for Federal Student Aid (FAFSA), how aid is calculated, and how you'll get your aid.



Choose a repayment plan, pay on time, avoid default, and get help with problems.

ANNOUNCEMENTS

RECENT CHANGES TO THE STUDENT AID PROGRAMS

DISASTER ASSISTANCE

Prepare for College

Explore Careers

Career Search

Checklists to Get Ready

Choosing a School

Types of Aid

Grants and Scholarships

Loans

Work-Study Jobs

Aid for Military Families

Who Gets Aid

Basic Eligibility Criteria

Non-U.S. Citizens

Staying Eligible

Regaining Eligibility

FAFSA: Apply For Aid

Estimate Your Aid

Filling Out the FAFSA

Dependency Status

Federal Student Aid PIN

Repay Your Loans

Making a Payment

Repayment Plans

Income-Based Repayment

Loan Consolidation

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Glossary

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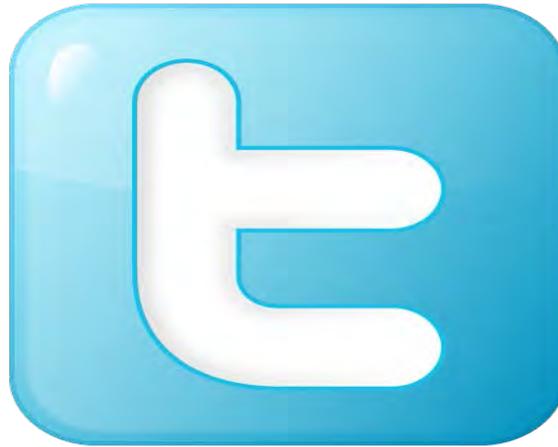
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Now

Highlights

Admin Panel

+ Create A Page



Federal Student Aid

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16,833 likes · 506 talking about this · 22 were here

Liked



Government Organization

The official Facebook page of the U.S. Department of Education's office of Federal Student Aid. For more information, visit www.StudentAid.gov.

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Status Photo / Video Event, Milestone +

Write something...



Federal Student Aid shared a link via Spredfast. 3 hours ago

Have you seen our Twitter app here on our Facebook page? We tweet valuable information about the financial aid process several times every day. Follow us at @FAFSA or, if you don't have a Twitter account, use the app at the top of the page. <http://on.fb.me/S04eFF>

Federal Student Aid | Twitter

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42 friends like this.



1 friend was here.



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Overview of the Financial Aid Process

7,199 views

by FederalStudentAid 1 month ago

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Prepare for College



Types of Aid



Who Gets Aid



About Federal Student Aid

Federal Student Aid, an Office of the U.S. Dept. of Education, helps make a college education possible for every dedicated mind by providing more than \$150 billion each year in grants, loans, & work-study funds. For more info, visit StudentAid.gov.

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by FederalStudentAid

Latest Activity	Jul 20, 2012
Date Joined	Jan 25, 2007
Location	Washington, DC
Country	United States

FSAIC

The Federal Student Aid Information Center (FSAIC) operates a toll-free hotline to provide comprehensive assistance in English, as well as Spanish on:

- General information about federal student aid (Title IV programs);
- The FAFSA application (paper and online);
- FAFSA corrections;
- Student loan history

➤ **1-800-4-FED-AID (1-800-433-3243)**

Hours:

Monday through Friday

8:00a.m. – 10:00p.m. ET

Extended hours may be available

Additional Resources

Comparison Shopping – College Navigator

The screenshot shows the College Navigator website. At the top, there is a navigation bar with the IES logo and the text 'INSTITUTE OF EDUCATION SCIENCES' and 'NATIONAL CENTER FOR EDUCATION STATISTICS'. A search bar is located on the right. Below the navigation bar, there are links for 'Publications & Products', 'Surveys & Programs', 'Data & Tools', 'Fast Facts', 'School Search', 'News & Events', and 'About Us'. The main content area features the 'COLLEGE Navigator' logo and a search form with fields for 'Name of School', 'States', 'ZIP Code', and 'Miles from'. There are also checkboxes for 'Programs/Majors', 'Level of Award', and 'Institution Type'. A 'Show Results' button is prominent. To the right, there is a large banner with the text 'Find the right college for you' and a 'Guide Me' button. Below the banner, there are several sections: 'College Affordability and Transparency Center', 'ADDITIONAL RESOURCES', 'Financial Aid', and 'Careers'. The footer contains contact information for the U.S. Department of Education and the National Center for Education Statistics, along with a logo for the International Year of Statistics.

U.S. Department of Education
Institute of Education Sciences
National Center for Education Statistics

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<http://nces.ed.gov/collegenavigator/>

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College Scorecard

College Scorecard

An online tool that will make it easier for students and families to compare colleges by comparing information such as: net price; graduation rates; default rates; student loan debt; and earnings potential

<http://collegecost.ed.gov/scorecard/index.aspx>



College Scorecards in the U.S. Department of Education's College Affordability and Transparency Center make it easier for you to search for a college that is a good fit for you. You can use the College Scorecard to find out more about a college's affordability and value so you can make more informed decisions about which college to attend.

To start, enter the name of a college of interest to you or select factors that are important in your college search. You can find scorecards for colleges based on factors such as programs or majors offered, location, and enrollment size.

Search for a college by name...

Choose from the following options to begin searching for colleges of interest to you by:

A screenshot of the College Scorecard search interface. At the top, there is a search bar with the text 'Search for a college by name...'. Below the search bar, there are four tabs: 'College Location', 'Type of College', 'My Area of Interest', and 'Popular Criteria'. The 'College Location' tab is selected. Below the tabs, there is a grid of 15 search filters, each represented by a colored square with an icon and text. The filters are: 'Degree & Major' (blue square with a graduation cap icon), 'Occupation' (blue square with a person icon), 'Zip Code' (green square with a star icon), 'Size' (green square with a flag icon), 'Awards Offered' (blue square with a star icon), 'State' (green square with a star icon), 'About the Scorecard' (blue square with a star icon), 'Campus Setting' (blue square with a star icon), 'Region' (green square with a star icon), and 'Distance Education' (blue square with a star icon). The 'College Location' filter is highlighted in a darker shade.

Scholarship Search Engine



What kinds of scholarships are available?

Some scholarships for college are **merit-based**. You earn them by meeting or exceeding certain standards set by the scholarship-giver. Merit scholarships might be awarded based on academic achievement or on a combination of academics and a special talent, trait, or interest. Other scholarships are based on financial need.

Many scholarships are geared toward particular groups of people; for instance, there are scholarships for women or high school seniors. And some are available because of where you or your parent work, or because you come from a certain background (for instance, there are [scholarships for military families](#)).

A scholarship might cover the entire cost of your tuition, or it might be a one-time award of a few hundred dollars. Either way, it's worth applying for, because it'll help reduce the cost of your education.

[top](#)

How do I find scholarships?

You can learn about scholarships in several ways, including contacting the financial aid office at the school you plan to attend and checking information in a public library or online. But be careful. Make sure scholarship information and offers you receive are legitimate; and remember that you don't have to pay to find scholarships or other financial aid. Check out our information on how to [avoid scams](#).

Try these free sources of information about scholarships:

- the financial aid office at a college or career school
- a high school or TRIO counselor
- the U.S. Department of Labor's [FREE scholarship search tool](#)
- [federal agencies](#)
- your [state grant agency](#)

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Glossary

Merit-based

Based on a student's skill or ability. Exam based scholarship might be awarded based on high grades.

Test Your Knowledge: Quiz Time

- 1) What does FAFSA stand for?
- 2) When is the form available and what grade level should fill out the form?
- 3) What website do you go to complete the FAFSA?
- 4) Name three types of federal financial aid programs ?
- 5) What is the difference between subsidized and unsubsidized loans?
- 6) How many schools can you put on the form at once?
- 7) Do I need an FSA ID or PIN to sign the FAFSA form?
- 8) Whose information should be provided on the FAFSA?
- 9) What is the website (URL) where one can find additional information about the entire financial aid life cycle?
- 10) What is the phone number to call for further assistance regarding the FAFSA, FSA ID, and other related questions?

Financial Aid 101

Questions?

