

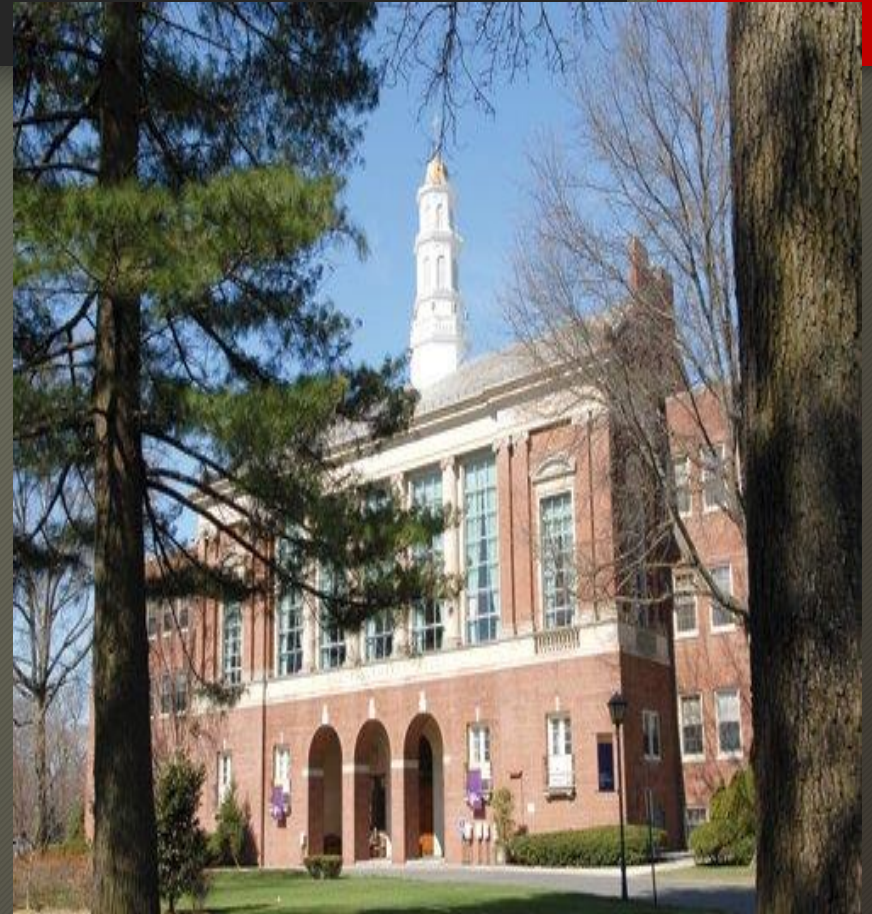
Paying for College: Getting Started-FA 101 Chaminade High School

10/4/2022



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Molloy University



Molloy University

Fast Facts

- Undergraduate- 3700 (est)
- Graduate- 1900(est)
- Majors include
- Nursing, Education and more than 50 others
- Located in Rockville Centre
- Res Halls opened in 2011.
- Student-athletes compete in East Coast Conference (D2)
- Molloy campus life includes more than 40 student clubs

What is Financial Aid??

Gift Aid

- Grants
- Scholarships
 - May be based on:
 - Financial need
 - Merit
 - Other criteria

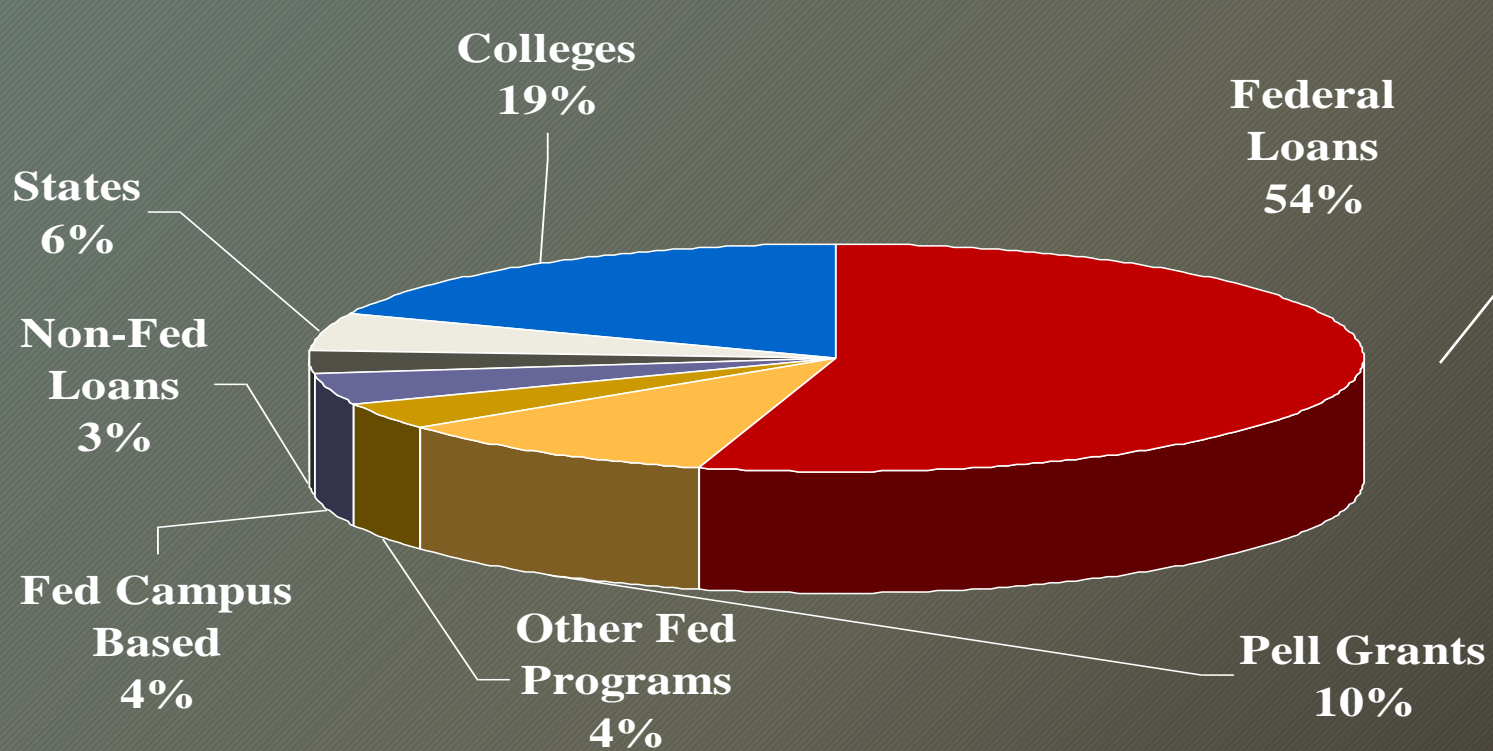


Self-help Aid

- Loans
 - Employment Opportunities
- May be:*
- Need based
 - Non-need-based



Sources of Financial Assistance



SO YOU THINK YOU DON'T QUALIFY ?..THINK AGAIN!

2021-2022

- Average Financial aid package for incoming freshman:
- **\$28,324**(includes loans, work study and grants)
- **\$18,125** (includes grant and scholarship money only)



Molloy's Net Price Calculator

- An easy tool that allows a student/family to get a nice “ballpark” estimate on what the Molloy’s financial aid offer may be



What is the FAFSA??



What is FAFSA?

FAFSA stands for Free Application for Federal Student Aid

- Must be US citizens or permanent resident to apply.
 - Collects the family's demographic and financial information in order to determine financial need
 - Uses Prior-Prior Year income (2021 taxes for 2023-2024 FAFSA)
 - FAFSA available every October 1st
 - Electronic version of FAFSA
 - WWW.FAFSA.GOV
 - Student and parent must have separate FSA ID's to log in
 - Use IRS Data Retrieval Tool - Quicker FAFSA filing & prevents FAFSA errors
 - Paper FAFSA's are still available, although online has much faster processing time
 - FAFSA maintenance usually on Sunday mornings.



Application Process - FAFSA

Free

Application for

Federal

Student

Aid

❖ www.fafsa.gov

- ❖ 2023-2024 FAFSA (H.S. Seniors Fall 2022)
Available on Oct 1st 2022, Use 2021
income and tax information
- ❖ 2024-2025 FAFSA (H.S Juniors Fall 2022)
Available on Oct 1st 2023, Use 2022
income and tax information



New for 23/24



- The 2023-24 FAFSA changes include the following:
- Selective Service and drug conviction eligibility questions removed from the FAFSA form.
- The myStudent Aid app retired on June 30, 2022.
-

FSA ID

- Federal Student Aid ID
- Username and password
- Student and parent must each create their own
- Will be used every year to:
 - Electronically sign FAFSA
 - Complete student loan paperwork
 - Login to U.S. Department of Education websites
- FSA ID password expires every 18 months



Top 3 FAFSA Errors

- Social Security Numbers
- Date of birth
- Correct Name



Application Process- FAFSA

Get your ducks in a row!



Gather records you will need

- ▶ Students' Drivers License and Social Security Card
- ▶ Parents' Social Security Card
- ▶ W-2 forms and other records of money earned in 2021
- ▶ 2021 Federal Income Tax Returns and applicable schedules
- ▶ Records of Untaxed Income
- ▶ Current Bank Statements
- ▶ Business and Farm Records (if employee 100+)
- ▶ Records of Stocks, Bonds and Other Investments
- ▶ College codes: May list up to ten college codes to receive FAFSA

FILE FAFSA PRIOR TO 2023, DON'T WAIT



**KEEP
CALM
AND DON'T
DROP
THE BALL**

Key elements to FA eligibility

- Primary income
- Savings (both)
- Investments (both)
- Real estate (Not your Home)
- Household size (who lives with you)..if you are lucky like me to have your in-laws living with you..that could help FA eligibility.

Parent's assets

- Parent's income reported-
- Parent's assets reported (with exception of home value, and retirements savings)
- Generally speaking, 1st 45K of parents savings and investment value does not count in formula

PARENTS	
Income	Assets
22%-47% of adjusted gross income above the protected amount ²	Up to 5.64% of non-retirement assets above protected amount, including 529 plans, investments and savings

JP Morgan Guide To College Savings

Additional asset protection

- The Simplified Needs Test and Auto Zero EFC are simplified versions of the Free Application for Federal Student Aid (FAFSA) that are available to some low-income families:
- The income threshold is \$50,000 or less. For dependent students, this means their parents' combined AGI doesn't exceed \$50,000.

Saving for college

- 529 plans always count as a parent asset even if it's in child's name
- Other relatives?. Does not get listed on FAFSA



What counts and what does not!

Counts!

- Brokerage accounts, certificates of deposit (CDs), stocks, bonds, mutual funds, money market accounts, commodities, precious metals, the vested portions of stock options and restricted stock units, exchange-traded funds (ETF), hedge funds, trust funds, private equity, and other investments.
- Real estate (other than the family's principal place of residence), real estate investment trusts (REIT), loans held, installment contracts, trust funds, private equity, and other investments.
- Uniform Gift to Minors Act (UGMA) and Uniform Transfer to Minors Act (UTMA) accounts, are reported as assets of the account owner (you, the student), not the custodian.
- College savings plans (529 college savings plans, prepaid tuition plans, and Coverdell education savings accounts) are reported as an asset of the account owner, not the beneficiary.

Does not!

- Qualified retirement plans such as 401(k) plans, 403(b) plans, pension plans, annuities, traditional IRAs, Roth IRAs, Keogh, SEP and SIMPLE plans.
- Life insurance policies, including cash value and whole life insurance policies.
- Personal possessions, such as clothing, furniture, books, cars, boats, computer equipment and software, television and stereo equipment, music collections, jewelry, coin, stamp, art, and wine collections.

How does Child support factor into FAFSA??

- Child support paid is included on the FAFSA

If parent or step parent pays child support , info is included on FAFSA

Child support rec'd (all children in household) is included.

Who Qualifies as Independent on FAFSA?

- Students under 24 who are
 - On active duty or a veteran of the U.S. armed forces
 - Married or financially supporting their own child or other tax dependents
 - Orphans, youth who are/were in the foster care system or a ward of the court at any time since age 13
 - Emancipated minors (NYS does not emancipate)
 - In the care of a court-appointed legal guardian
 - Homeless, at risk of being homeless or an unaccompanied youth

Counselor Question: Parent Refusal

- What if a student's parent simply refuses to provide their information?
 - This is NOT considered a valid claim for independence
 - Students may submit the FAFSA indicating they cannot provide parent info
 - They are only eligible to receive an Unsubsidized Direct Stafford Loan

Principles of Need Analysis

- To the extent they are able, parents have primary responsibility to pay for their dependent children's education
- Students also have a responsibility to contribute to their educational costs
- Families should be evaluated in their present financial condition*****
- A family's ability to pay for educational costs must be evaluated in an equitable and consistent manner, recognizing that special circumstances can and do affect its ability to pay

Special Circumstances



- Change in employment status
- Medical expenses not covered by insurance
- Unusual dependent care expenses
- One time occurrence
- Natural Disaster

IRS-FSA Concept

- Federal Student Aid (FSA) and the Internal Revenue Service (IRS) have developed a collaborative solution to simplify FAFSA completion.
- Tax filer Retrieves Their Own Data
 - No Consent
 - Voluntary
- Will allow some applicants that use FAFSA on the Web to retrieve their income tax data from the IRS.
- IRS data can be automatically transferred to FOTW.

How Financial Need is Determined

Cost of Attendance

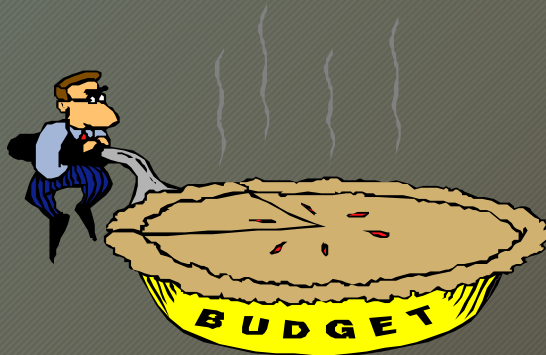
$$\begin{aligned} & - \text{Expected Family Contribution} \\ & = \text{Financial Need} \end{aligned}$$

Tuition and Fees
Books and Supplies
Room and Board
Transportation

+ Miscellaneous Expenses
= Cost of Attendance

Expected Family Contribution

Parent's Contribution from Income
Parent's Contribution from Assets
Student's Contribution from
Income
Student's Contribution from Assets



Determining Financial Need

Financial Need

How much aid can a student receive?



Sample award package

- ABC university (private)
- COA= 50,000
- EFC = 25,000
- FN= 25,000
- DEF university (public)
- COA = 25,000
EFC = 25,000
- FN= 0
- You could be eligible for need based aid at one college but not another

Who's data on the FAFSA

- Scenario 1
 - Student
 - Mom
 - Dad
- Scenario 2
 - Student lives with Mom (Mom is divorced from Birth Father).
 - Student and Mom only.

Who's data on FAFSA?

- Scenario 3
- Student lives with Dad (dad is divorced from birth Mom)
- Student and Dad
- Scenario 4
- Student lives with Mom and Mom is remarried
- Student, Mom and StepDad..

STAY DATING 😊



Who is a Parent on the FAFSA

- Who IS a parent?

- Biological Parent
- Adoptive Parent
- Stepparent who is married to and residing with a custodial parent

- Who is NOT a parent?

- Other relatives (grandparents, older siblings, aunts/uncles)
- Foster parents
- Court-appointed legal guardians
- Former stepparents (widowed/divorced)

CSS PROFILE

- The PROFILE form is administered by the College Scholarship Service (CSS), the financial aid division of the College Board. The CSS PROFILE is required by many private colleges and universities to determine your eligibility for *non-government* financial aid, such as the institution's own grants, loans, and scholarships.
- Available at cssprofile.collegeboard.org
- Initial application fee of \$25 and additional reports are \$16
- Waivers available if:
 - Student used an SAT fee waiver
 - Parental income reported approximately \$45,000 or less
 - Student is an orphan or ward of the court under age 24

CSS PROFILE

- Private Institutions
- Money reserved for need-based aid
- Distribute funds to those students with true demonstrated need
- Helps ensure aid is awarded fairly
- Higher cost to attend

Differences between the CSS PROFILE and the FAFSA

- **Specific questions:** The CSS PROFILE contains questions specific to the school or program you're applying to; FAFSA contains the same questions for everyone.
- **Non-Custodial Parent:** The CSS PROFILE collects data separately for the non-custodial parent to determine a contribution. Optional for each school.
- **Different methodology:** The CSS PROFILE determines your financial need differently than the FAFSA, considering such factors as whether your family owns a home. In general, the CSS PROFILE asks more detailed information than FAFSA.
- **Minimum student contribution:** The CSS PROFILE requires this; the FAFSA doesn't.

What should I expect after I file??

- Student files FAFSA
- Student and FA office rec'd data
- FA office reviews data
- FA office sends student "award" letter
- Student needs to respond to accept or decline
- In certain instances, colleges may require financial documents to process aid



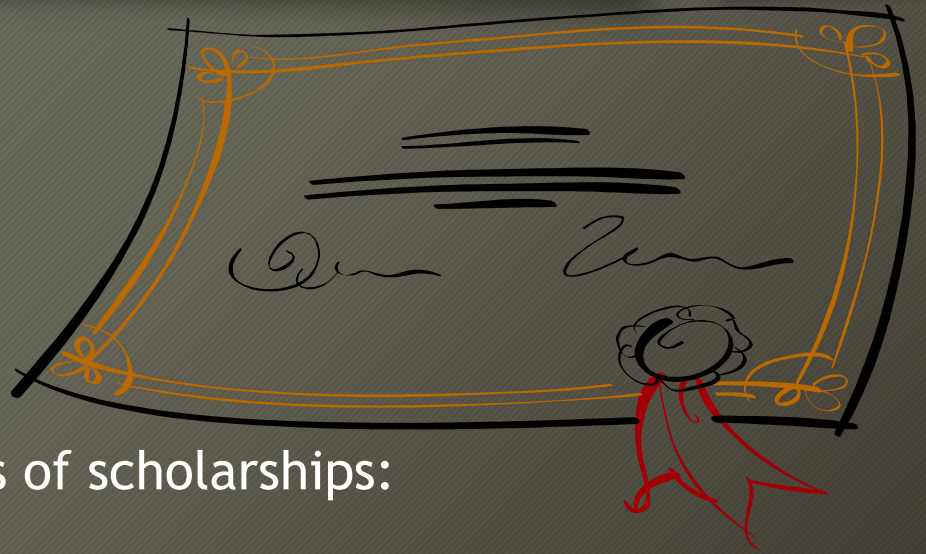
Show me the Money



What Makes Up a FA offer

- Federal Grants
- State Grants
- Institutional Grants and Scholarships
- Federal Loans
- Federal Work-Study
- Outside Scholarships
- Private/Alternative Loans

Types of Scholarships



Consider all types of scholarships:

Academic merit

Athletic ability

Field of study

Ethnic background

Religious affiliation

Special interests

Private Sources

- Foundations, businesses, charitable organizations
- Deadlines and application procedures vary widely
- Begin researching private aid sources early
- The Internet www.fastweb.com
- www.salliemae.com/plan-for-college

Outside scholarship : Sure signs it's a scam!

- “I just need your credit card number”
 - “Please enclose a \$5 processing fee”
 - “You’ve been selected” by a group you never heard of
- “You’re a finalist” in a contest you never entered



Pell Grants

- Pell is an entitlement
- Based on need
- Max award for the 20/21 year is @ \$6495
- Does not run out
- Deadline June 30th or last day of enrollment

SEOG

- Federal Grant
- Based on need
- Up to 4,000 per year
- Limited Fund (it can run out)

Institutional Grants

- Academic Based Scholarships
- Talent Based Scholarships (Athletic, Music, etc)
- Need Based Grants/Scholarship

TAP

- State Grant
- Based on net taxable income (less than 80k)
- Full time/Part-Time enrollment status
- Student can receive TAP for 8 semesters then he or she could be considered **TAPped Out** (you like that one...I just made it up..)
- May 1st deadline (APPLY VIA LINK AFTER FAFSA OR DIRECT AT WWW.TAPWEB.ORG)

William D Ford Direct loans

Subsidized

- 4.99% fixed (2022-2023)
- Based on need
- Federal government pays interest while student is in school
- \$3,500 for Freshman

Unsubsidized

- 4.99% fixed interest
- Not based on need
- Student is responsible for interest while in school
- \$5,500 for Freshman
- *If Freshman is eligible for \$3500 subsidized, they can also get \$2000 in unsub-total of \$5500

Direct Plus Loan for Parents

For parents of dependent students

- Borrow up to entire cost of college less financial aid
- No adverse credit (parent must pass credit check)if you are denied...student can borrow additional unsub direct loan for \$4K

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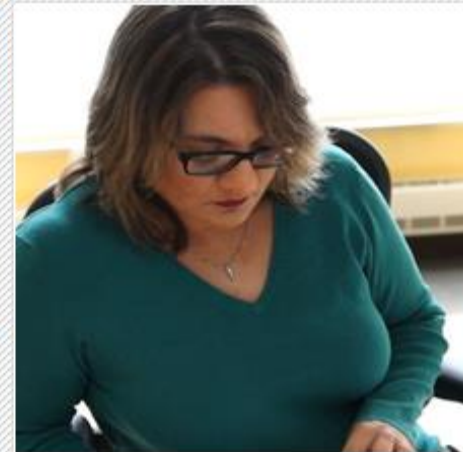
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jenny



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Questions?

