Financial Aid 101

Types of financial aid

- Scholarships ⎱ Gift Aid
- Grants   ⎰

- Loans   ⎱ Self-Help Options
- Federal Work Study ⎰
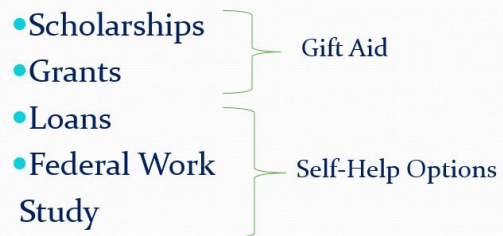
Sources of Aid
- **Government**
  - Pell grants
- **Institutional**
  - Private grants
  - Private school specific scholarships
- **Private**
  - External scholarships from companies/organizations, etc.
    - Like SHPE!

Completing the FAFSA/CSS Profile

The first step: FAFSA[1]
For most schools, this is the only form students will need. However, there are also specific school requirements, as some schools also require **a CSS Financial Aid/PROFILE** Application.

The CSS Profile is part of the CollegeBoard[2] and is completed similarly to the FAFSA.

For many students, completing a FAFSA can be a scary, intimidating process. In this section, we break down financial aid information in bite-sized pieces.

WHO should complete the FAFSA?
- You and your parents!

WHAT in the world is FAFSA?
- FAFSA stands for the Free Application for Federal Student Aid. It is the form the federal government and colleges use to determine how much financial aid you will receive.
- You must complete this form to be considered for federal aid and some state and institutional aid.
- As the name states, the FAFSA is completely free.
- The CSS Profile is completed through the CollegeBoard and often provides the opportunity for more details on your personal financial situation
- The CSS Profile unlike the FAFSA is NOT free but fee waivers are available for students with low economic resources

WHEN should you complete the FAFSA?
- Complete the form as soon as you can after January 1 of your senior year of high school or before the school's priority deadline. Colleges may require other forms in addition to the FAF SA or an earlier submission deadline, so check with each college's financial aid office to learn about their requirements. You will need to repeat this process every year while you are in college.
- Some schools will require you to submit a preliminary CSS Profile with the previous year's income tax documents before January 1st. This is sometimes the case when applying Early Decision to private universities.

WHERE do I fill out the FAFSA ? There are 3 ways to complete the FAFSA:
- Online at www.fafsa.ed.gov. Easiest and quickest way to complete the form!
- On your computer using the PDFFAF SA (download a copy at www.fafsa.ed.gov).
- Call 1-800-4-FED -AID (1-800-433-3243) and request a paper copy.

WHERE do I fill out the CSS Profile?
- Online at student.collegeboard.org/css-financial-aid-profile. Easiest and quickest way to complete the form!

WHY should I fill out the FAFSA?
- To be considered for all federal financial aid – including grants, loans, and work-study – as well as many forms of state and institutional aid, you MUST complete a FAFSA. Submit a FAFSA every year you need aid – even if you think you will not qualify for financial aid. Your eligibility can change from your family's circumstances.

How?
- You and your parents will need to gather your most recent federal tax returns (including W-2 forms), as well as current bank account and investment statements. Much of the information you provide on the FAF SA will come straight from your parents' taxes; the form will direct you to which lines of your tax return provide the right information.
- If you complete the FAF SA online, you will need to create a Federal Student Aid PIN. This number will serve as your password to access your FAF SA, as well as your electronic signature when you complete it. You can receive your PIN at: www.pin.ed.gov

What happens next?

Using the information from your FAF SA, the U.S. Department of Education will create your Student Aid Report, or SAR. The SAR serves several purposes:

1. Confirmation that your FAFSA was received. If you completed the FAF SA online or included your email address on your paper FAFSA, you should receive an e-mail with a link to your SAR online within two weeks of submitting. If you submit a paper FAF SA, your SAR will arrive in the mail within four to six weeks. If you do not hear anything within these time frames, call the Federal Student Aid Information Center (contact information on page 4). Be ready to provide your Social Security Number and date of birth for verification.

2. A summary of all the information you submitted on your FAFSA. Once you receive your SAR, check it for mistakes. If it is accurate, you are all set. If there are errors, go back to the FAF SA website and use your PIN to make corrections. Do this as soon as possible.

3. Notification of your Expected Family Contribution, or EFC. Your EF C is the amount of money you and your parents can be expected to contribute to your college costs based on the information collected by the FAF SA. Each of the schools you listed on the FAF SA will also receive the information contained in the SAR. If you need additional copies of the SAR, call the Federal Student Aid Information Center. They use the information on your SAR, in particular the EFC, to determine how much financial aid you can receive. Here's how it works: Each school has determined their Cost of Attendance – how much students should expect to pay for tuition, room and board, and other necessities. Each school subtracts your EF C from the cost of attendance to determine how much money you will need to cover all of your costs. This number is known as your financial need.

The school tries to meet your need through a financial aid package made up of funds from federal, state, school, and private sources, as well as loans and student employment. Once they have created a package for you, they will send you an award letter. See the next section for more information on how to compare your different offers. You may receive a request for additional documentation. Sometimes, FAFSAs are selected for verification – either at random or because information doesn't match up. If this happens to you, don't be alarmed. The college will ask you for a copy of signed tax returns and additional documentation. Respond promptly to avoid delaying the processing of your financial aid. A college can't officially award financial aid until verification is complete.

Questions/Concerns?

Federal Student Aid Information Center at 1-800-4-FED-AID, (1-800-433-3243, TTY 1-800-730-8913), from 8:00 am to 8:00 pm Eastern Time, Monday through Friday.

You can also submit questions through the website at https://fafsa.ed.gov/help.htm

Filling out your FAF SA is the first step toward receiving financial aid. Start early, follow these steps and you may find that financing your college education is easier than you thought!

Loans

Loans are a form of financial aid that must be repaid. Loans can be a helpful—and sometimes necessary—source to help fund your education. However, make sure you've looked into all other financial aid options before you take out a loan. Borrowing should be your last option.

There are two main sources for student loans: Direct Stafford Loans, which allow you to borrow at low interest rates directly from the U.S. Department of Education, or private loans, which allow you to borrow from banks, credit unions, and other lenders.

If you must take a loan to pay for your education, start with the Direct Stafford Loan. This program provides loans to students with low interest rates, flexible repayment plans, and low origination fees. The first step to apply for a Direct Stafford Loan is to complete your FAF SA. From there, colleges will provide you with different loan options depending on your financial need and how far along you are in your program of study. There are limits on how much money you can borrow through the Direct Stafford Loan program – see the following page for more information.

The only time you should take out a private student loan is if all of your other financial aid, including Direct Stafford Loans, is not enough to cover your tuition. The reason private loans should be your last option is that they tend to have higher interest rates, greater fees, and shorter repayment plans than Direct Stafford Loans.
With any loan, be sure to do your research – find out about interest rates, repayment plans, fees, and terms before accepting any loan offer. Keep in mind that you may have to continue to borrow each year you are in school. Concerned about accepting a loan? The best way to determine if you are taking on an acceptable amount of loan debt is to use a loan calculator. These calculators use your total loan amount, interest rates, and repayment terms to estimate what your monthly payment will be after you leave college. Go to studentaid.ed.gov and click on "Repaying Your Loans" to find out how much you'll need to pay each month to pay back the loan and decide if that is an amount you can handle.

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[1] http://www.fafsa.ed.gov/
[2] See: http://student.collegeboard.org/css-financial-aid-profile
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