Financial Aid 101
Discussion Topics

- What is Financial Aid?
- College Costs & Affordability
- Financial Aid Eligibility
- Types of Financial Aid
- Completing the FAFSA
- Next Steps?
- Tips for Students and Families
What is Financial Aid?

Funding for students and families to help pay for postsecondary education and related expenses.

Put simply: *Money used to pay for college*
Financial Aid is NOT...

- Credit Cards
- Shopping
- Buying a Car
- Partying
- Spring Break/Vacation
Cost of Attendance

Direct Costs

Paid **DIRECTLY** to the University (billed twice per year):
- Tuition & Fees
- Room & Board

Indirect Costs

Paid to others and can include:
- Books & Supplies
- Personal & Miscellaneous Items
- Transportation
### U-M: Cost Of Attendance

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Fees</td>
<td>$15,262</td>
<td>$49,350</td>
</tr>
<tr>
<td>Room &amp; Board</td>
<td>$11,534</td>
<td>$11,534</td>
</tr>
<tr>
<td>Books &amp; Supplies</td>
<td>$1,048</td>
<td>$1,048</td>
</tr>
<tr>
<td>Personal/Misc.</td>
<td>$2,454</td>
<td>$2,454</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>*<em>$30,298</em></td>
<td><strong>$64,386</strong>*</td>
</tr>
</tbody>
</table>

*This is the maximum amount of financial aid you can receive.*
The U-M Go Blue Guarantee

- Free U-M tuition for 4 years on Ann Arbor campus
- Must qualify for In-state tuition and earning first bachelor’s degree
- Family income of $65,000 or less and assets below $50,000
- Must apply and be eligible for financial aid

MORE INFORMATION:
About the program: goblueguarantee.umich.edu
Eligibility: finaid.umich.edu/go-blue-guarantee-eligibility
Compare Colleges & Affordability

- Planning Tools: finaid.umich.edu/comparecollege
- College Scorecard: collegescorecard.ed.gov compares colleges from around country
What is your cost?

**Net Price Calculator**
- A free, interactive tool that provides estimated net cost
- Uses institutional data
- Calculates individual situations
- Check each school’s Financial Aid website

**FAFSA4caster**
- Free federal tool
- Early estimate for federal student aid
- Offers options to pay for college
Eligibility: Expected Family Contribution

- Calculated using a federal formula with information from the FAFSA
- Parent contribution & student contribution
- Amount a family can *reasonably* expect to contribute
- The same at every institution

EFC
### Eligibility: Calculating Financial Need

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td><strong>Cost of Attendance (Budget)</strong></td>
<td>$26,000</td>
</tr>
<tr>
<td><strong>Expected Family Contribution (EFC)</strong></td>
<td>-$ 4,000</td>
</tr>
<tr>
<td><strong>Other Aid or Resources (such as private scholarships)</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Your Need for Aid</strong></td>
<td>$22,000</td>
</tr>
</tbody>
</table>
Types of Financial Aid

1. **Grants**
   Free money.

2. **Loans**
   Borrowed money.

3. **Work-Study**
   Earned money.
Scholarships

- Earned in some way—grades, skills, service, etc.
- Awarded by a variety of organizations
- May, or may not, require FAFSA and/or other applications

Grants

- Need-based award
- Must complete FAFSA to apply
- May need to complete other applications such as CSS PROFILE or other institutional forms
Types of Aid: Scholarships Scams

Watch for:
- Scholarships with application fee
- No contact telephone number
- Unsolicited scholarship opportunity
- Hype or pressure to participate
- Scholarship services who guarantee success
- Social Security number, checking/savings account info

MORE INFORMATION:
studentaid.ed.gov/sa/types/scams
Types of Aid: Understand Your Scholarship

One-time vs. Renewable

- If renewable, are there requirements?
  - GPA
  - Major Specific
  - Full Time

Tuition-Specific Scholarship

What’s the value of the scholarship?

- Full ride vs. partial (will you have remaining costs?)
Types of Aid: EARNED Money

Work-Study allows you to:

- Get paid for your work
- Receive bi-monthly paychecks
- Have flexible work schedules
- Consider on- or off-campus opportunities

Students not awarded Work-Study with their financial aid award may apply for other jobs on campus and off
Loans

- Borrow only what is REALLY needed
- Repayment begins after graduation

Federal Loans from the FAFSA
- **Subsidized Direct Loans** - student is borrower, interest does not accrue until repayment
- **Unsubsidized Direct Loans** - student is borrower, interest accrues as loan begins
IT'S FAFSA TIME!

START YOUR FALL FINANCIAL AID APPLICATION EARLY FOR PRIORITY AWARD CONSIDERATION.
Completing the FAFSA

It’s free, easy, fast and more people qualify for student aid than you think.

Need money for college?

Complete the FAFSA® (Free Application for Federal Student Aid) form to apply for financial aid for college, career school, or graduate school.

NEW TO FAFSA.GOV?

Submitting the FAFSA form is quick, and most importantly, it’s FREE. Get started today.

START HERE

RETURNING USER?

• Make a correction
• Add a school
• View your Student Aid Report (SAR)

LOG IN
Completing the FAFSA: What Should I Expect?

- Three of four sections are student information
- One section is for parents or legal adoptive parent
- “As of today” language
- Males must register with the Selective Service
  www.sss.gov
Each student

- Parental data can be transferred for multiple children

Parent(s)

- Both parents (biological, step-parent, adoptive) if married
- Only one parent if single, divorced or separated (the one the student lives with)
- If both parents live in the same house and are not married both incomes go on FAFSA
Dependent (most students are dependent)

- Requires parental information

Independent (No parental information required if):

- Married
- At least 24 years old
- At any time since you turned age 13, were both your parents deceased, were you in foster care, or Ward of the Court/State
- Have a dependent that you provide more than 50% support for
- Homeless

(This is a sample of questions on the FAFSA that determine independent student status)
Completing the FAFSA: Why?

- Expected Family Contribution (EFC) determines your aid eligibility
- Single application for multiple sources of aid
- Can list up to 10 schools on your application
Completing the FAFSA: When?

- The FAFSA is available on October 1 using earlier tax information.
- State of Michigan deadline is March 1.
- Check with your school for more specific deadlines.
- FAFSA is an annual application. File it every year!
Completing the FAFSA: How?

- IRS Data Retrieval (preferred) or 2017 Tax Return
- Bank/Asset Statements
- Child support (Paid or received)
- Other untaxed income received except social security
Completing the FAFSA: FSAID

FSAID

- Student AND One Parent
- fsaid.ed.gov

Allows student and parent to sign FAFSA electronically
Each needs individual FSAID
Completing the FAFSA: Frequent Errors

- Social Security numbers
- Divorced/remarried parental information
- Student/parent income
- Untaxed income
- Real estate & investment net worth
- U.S. income taxes paid
- Household size
- Number of household members in college
- Work-Study preferences
Completing the FAFSA: What’s Next?

Make necessary FAFSA corrections

Complete institutional forms

- CSS Financial Aid PROFILE
- Scholarship Applications
- Verification
  - Additional documentation (Federal Tax Transcripts, W-2s)
- Estimated Aid Awards will be sent in early 2019
  - Not binding, simply an offer
Completing the FAFSA: Special Circumstances

- Change in employment, death, marital status, one-time significant benefit, large out of pocket medical expenses, etc.
- Cannot report on FAFSA
- Send explanation to each financial aid office
- All special circumstances will be reviewed and a FINAL decision will be made
  - Cannot appeal this decision to Department of ED
Next Steps for Students & Families

- Consider payment plans
- Know before you go
- Satisfactory Academic Progress
- Apply for scholarships every year
- Meet all Deadlines
  - Check & Respond to your EMAIL
  - Check & respond promptly to request
- Problems/Issues
  - Talk to the experts on campus
Questions?
Thank you!

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