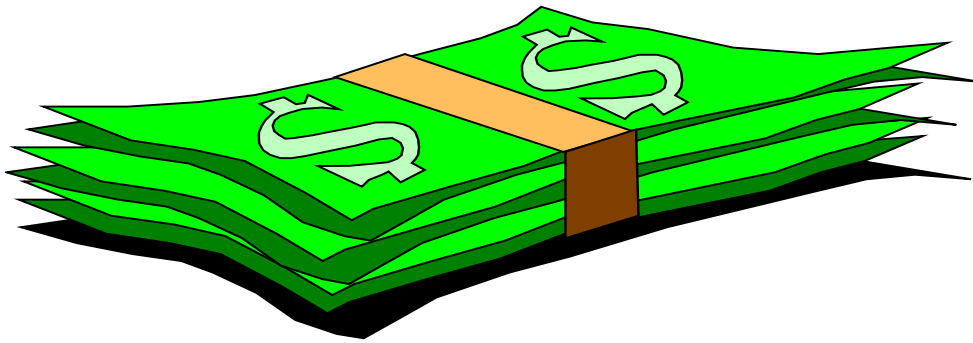


# Introduction to Financial Aid: An Overview for High School Students



*presented by:*  
*Hayato Suzuki*  
*Director of Financial Aid*



# Tonight's Topics

- Types and sources of aid
- How financial need is determined
- When and how to apply
- Completing the FAFSA
- What to expect from each type of college
- How to recognize and avoid scams
- Other college financing options



# Goals of Financial Aid

- Determine financial need of all applicants
- Verify applicant data when required
- Develop policies and procedures to distribute aid
- “Package” aid from all available sources and send award letters
- Answer your questions



# Myths about Financial Aid

- My parents make too much money, so I won't qualify for aid
- Only students with good grades get financial aid
- You have to be a minority to get financial aid
- The form is too hard to fill out



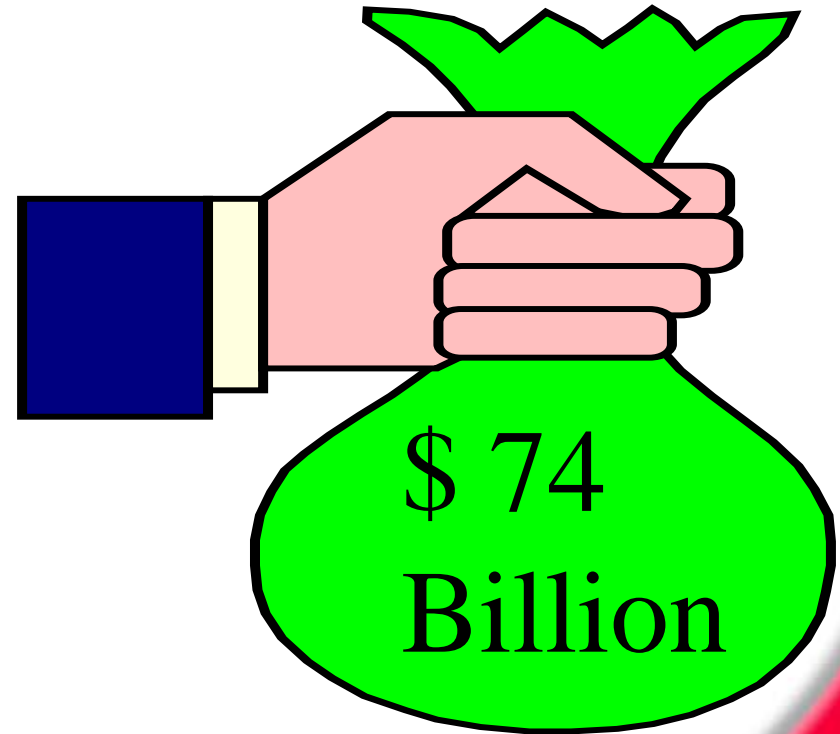
# Need versus Merit Aid

- Aid based on financial need
  - most government grants
  - subsidized student loans
  - Federal Work-Study
- Aid based on merit
  - academic and athletic scholarships
  - some government grants
- Some scholarships require merit and need



# Sources of Financial Aid

- Federal Government
  - \$51 billion (68%)
- Colleges and Schools
  - \$15 billion (20%)
- State Government
  - \$ 4 billion (6%)
- Private Organizations
  - \$ 4 billion (6%)



# Types of Financial Aid

- Gift Aid
  - not paid back
    - grants and scholarships
- Loans
  - paid back with interest
    - student and/or parent may borrow
- Work-Study
  - earned as wages
    - part-time jobs on or off campus



# Helpful Hints When Applying for Financial Aid

- Review the college catalogue
  - **procedures, deadlines, special circumstances**
- Correctly complete and submit the right forms
- Know the deadline dates and meet them
- Know your file will not be processed until you are **ACCEPTED** for admission
- Respond promptly to requests and notices
- Keep copies of all forms sent and received
- Apply **EACH** year for as long as you need aid



# What Is the FAFSA?

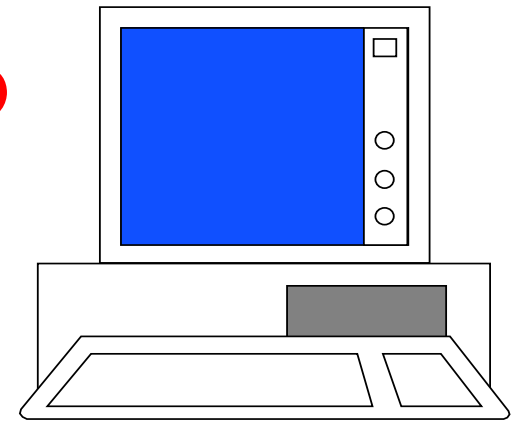
## Free Application for Federal Student Aid

- A multi-purpose application form
- One form to apply for all colleges
- One form to apply for all aid programs
  - federal grants, loans and work-study
  - New Jersey grants
  - most college aid
- One form each year for each student



# FAFSA on the Web

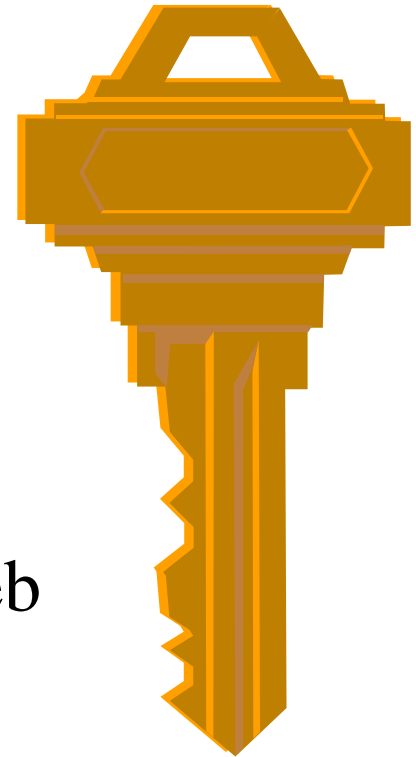
[www.fafsa.ed.gov](http://www.fafsa.ed.gov)



- Complete and send FAFSA on the internet
- Access from anywhere
- No software to install
- Automatically edits data as you enter it
- Skip logic: asks only what you must answer

# What's a PIN?

[www.pin.ed.gov](http://www.pin.ed.gov)



- Personal Identification Number
- Students and parents can get PINs
- Electronic signature for FAFSA on the Web
- PIN delivered to e-mail if known
- Can also be used for:
  - Renewal on the Web
  - Corrections on the Web
  - National Student Loan Database
  - Loan applications

# Financial Need

**Cost of Attendance**  
**Minus**  
**Expected Family Contribution (EFC)**  
**Equals**  
**Financial Need**



# Expected Family Contribution

- Formula established by the U. S. Congress
- Uses information reported on your FAFSA
- Index for Federal Pell Grant eligibility
- May be adjusted by your college due to:
  - Verification/correction of your FAFSA data
  - Special circumstances that limit ability to pay



# Cost of Attendance

- Tuition and fees
- Books and supplies
- Room and board
- Transportation
- Personal expenses
- Cost varies most by:
  - Type of college (private, state or county)
  - Academic program

**BOB JONES** **2048**

DATE \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$

DOLLARS

**FIRST NATIONAL BANK**

\_\_\_\_\_

⑆00 2100 661: 770 ⑆ 96407611 2121



# Needs Vary By Schools Attended

	Community College	State University	Private University
Budget	\$7,500	\$15,500	\$25,500
EFC	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Need	0	5,500	15,500
Financial Aid	\$5,500 (unsub loan)	\$3,500(Sub loan) \$2,000 (unsub loan)	\$18,000 (grant) \$5,500 (unsub loan)
Net Tution:	\$2,000	\$10,000	\$2,000



# There are many forms of grants:

- Federal Pell Grant
- Federal Supplemental Educ. Opportunity Grant
- N. J. Tuition Aid Grant
- College Grants

None of the above have to be repaid !!!!



# Other Sources of Aid

- Colleges
  - athletic and academic scholarships
  - endowed funds and alumni groups
- Private sources
  - employers and labor unions
  - religious or community organizations, clubs, and civic groups
  - high schools
- Veterans Administration (apply to VA)



# There are numerous loan programs

- Federal Perkins Loans - 5%
- Stafford Loans - 8.25% cap
- Subsidized interest free while in school
  - And grace period
- Unsubsidized currently 6.80%
- PLUS Loans (parents) 7.9%



# Loan Debt and Loan Limits

- Annual Stafford Loan Limits- Undergraduates
  - Freshman - \$ 5,500
  - Sophomore - \$ 6,500
  - Junior - \$ 7,500
  - Senior - \$ 7,500



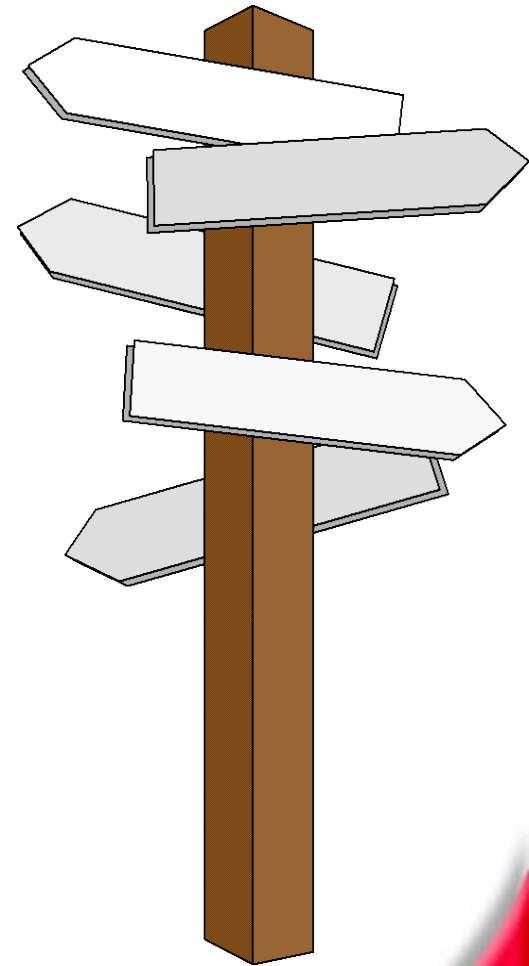
# So You Have To Borrow Money

- Federal Stafford Loan (student)
  - Subsidized/Unsubsidized
- Flexible Payment Plans
  - available from college
  - spread tuition over several months
- Alternative Loan or PLUS Loan (parent)
- Home Equity
  - borrow up to 80% of Equity
  - long repayment period
  - tax deductible
- Life Insurance Policies/Pension Plan



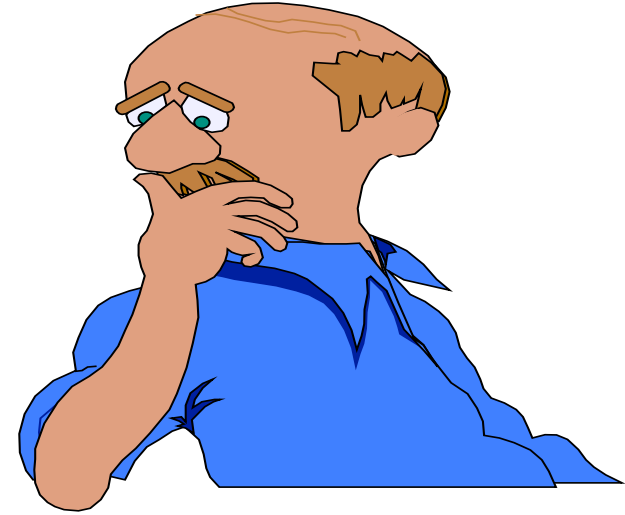
# Types of College

- Private Colleges
  - most expensive, smaller, more financial aid
- Public Colleges
  - larger, more variety, subsidized by state
- Community Colleges
  - subsidized by state and county
- Career and Technical Schools
  - short term, higher cost, privately owned



# How to Compare College Financial Aid Offers

- Start with tuition, fees, room and board
- Subtract grant and scholarship offers only
- The difference is your “net cost”
- Always compare net cost
- Never include loans and work-study offers
- Make sure scholarships are renewable

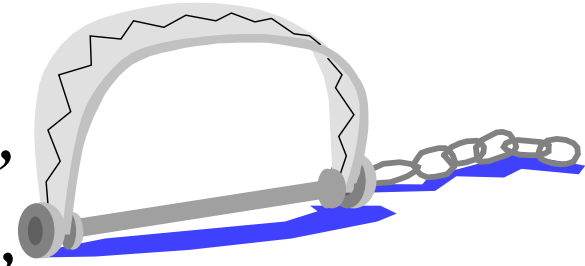


# College Scholarship Fraud

- Scams net \$5 million annually
- 350,000 students/parents affected
- Selling what you can get for free
- Never pay to find a scholarship!
- Never pay a scholarship provider to apply!



# Scholarship Scam Warning Signs



- *“A list of scholarships is guaranteed”*
- *“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

# Free Scholarship Info

- Library publications
- High school guidance offices
- [www.finaid.org](http://www.finaid.org) - Scholarship Searches
- Fastweb scholarship search on the internet
  - [www.fastweb.com](http://www.fastweb.com)
- The College Board
  - [www.collegeboard.com](http://www.collegeboard.com)
- NJ Higher Education Student Assistance Authority
  - [www.hesaa.org](http://www.hesaa.org)



# Divorced/Separated Issues

- FAFSA is to be completed by parent student is living with
- If parent has remarried, step parent information must be included on FAFSA
- Some schools will ask for a Divorced/Separated Supplement to be completed on other parent to determine eligibility for college programs



# Special Circumstances?

## Call the Financial Aid Office

- Unemployment or change in employment
- Separation or divorce
- Death of parent
- Disability of student or parent
- Windfall (inheritance, overtime, etc.)
- Loss of benefits
- Elementary/secondary school expenses
- Unreimbursed medical or dental expenses



# Deadline For Submitting FAFSA

- **Institutional and Campus Based Aid:**
- *Priority filing DEADLINE is April 1st, 2012*
- Additional Form May Be Required
- **New Jersey State Aid (Date Received):**
- New Applicants:      October 1, 2012
- Spring Only:                 March 1, 2013
- Renewal Applicants:         June 1, 2012
- Tuition Aid Grant (TAG)
- N. J. Resident Attending N.J. Institution
- Must be Enrolled Fulltime
- 2011-2012 Award Range: Up to - \$10,980
- ***NOTE: Please File As Soon As Possible***



# Other financial options

- Tuition reimbursement from employer.
- Pay out of pocket with a payment plan
- Play the lottery and Win the lottery!!!



# Remember

- Apply Early
- Apply *Annually*
- Respond to School and/or State Request(s) for Information in a Timely Manner (This would be areas such as Verification of information you provided when filing)
- Contact Office of Financial Aid If There are Changes in Family Financial Circumstances

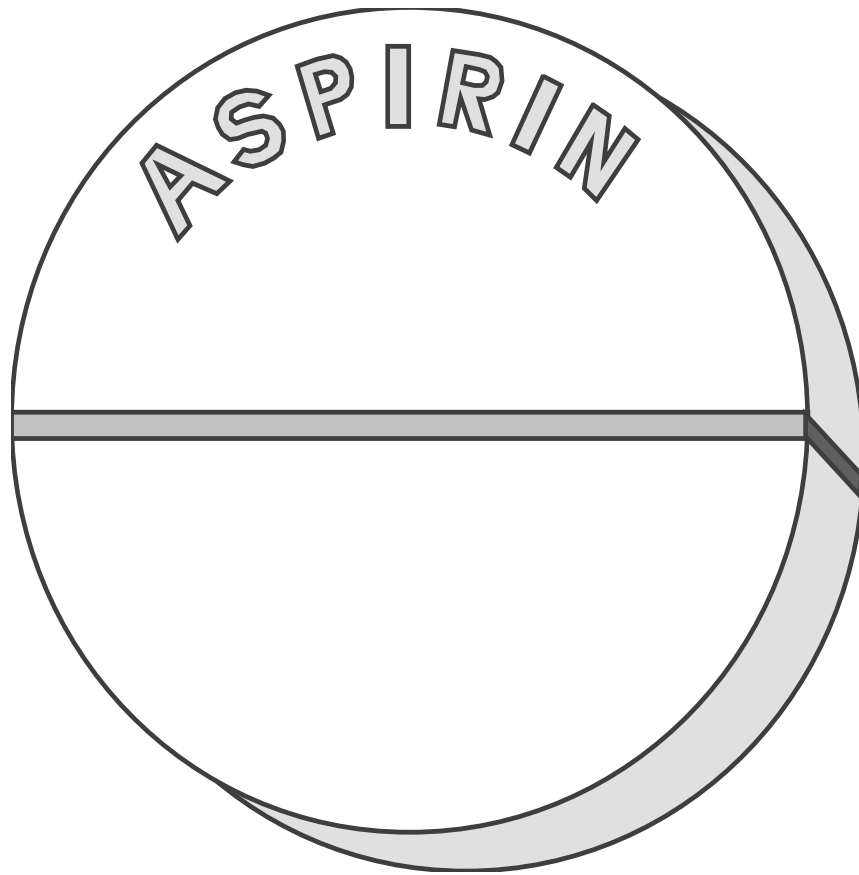


# Where can you find more information?

- On our website: [www.caldwell.edu](http://www.caldwell.edu)
- In our publications
- By e-mailing us at [FinancialAid@caldwell.edu](mailto:FinancialAid@caldwell.edu)
- By phone (973)-618-3221
- In person at the Office of Financial Aid hours are Monday, Thursday, Friday 8:30am-4:30pm  
Tuesday, Wednesday 8:30am – 7:00pm



# Questions



# THANK YOU FOR COMING

If you have questions that have not been answered during this presentation, please contact our office:(973)-618-3221 or e-mail us at [financialaid@caldwell.edu](mailto:financialaid@caldwell.edu)

