

Financial Aid For My Kid??

Five Myths and More
That Will Surprise and Inform

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Myth One

- I/We could never qualify for Financial Aid based on my/our income.

Every student has access to **non-need** based financial aid!

- Unsubsidized Stafford Loans (6.8%; Max \$5500/1st yr; \$6500/2nd yr; \$7500/yrs 3-5)
- Parent Plus Loans (7.9%; lower interest rate than private loans, more lenient w/credit history; can borrow up to total COE minus any/all financial aid.)

Other **non-need** based financial aid you may qualify for:

- State funded scholarships and merit awards (May be based on FAFSA)
- Institutional (College funded) merit awards and scholarships
- College-sponsored long/short term and emergency loans (availability & terms vary by school.)

Other need-based financial aid, continued

- Private and Outside Scholarships
- Federal TEACH Grant (Up to \$4,000/yr if you teach in high-need area.)

Note: Merit Awards and Scholarships vary by state, institution and organization and may be determined by grades, test scores, talent, athletics, interests, diversity (geographic, gender, academic focus, ethnic, racial, religion, etc.)

You may even qualify for one or more types of Need-Based Federal, Institutional and State Financial Aid.

Federal:

- Pell Grants (Largest Federal need-based program; currently \$550 – \$5,500/yr; students with Intellectual disabilities and demonstrated need may also qualify.)
- Perkins Loans (Federal funds but Campus-based; 5% interest)
- Subsidized Stafford Loans (3.4% interest, may/may not be combined w/unsubsidized Stafford Loans; max \$5500/1st yr; \$6500/2nd yr; \$5700/yrs 3-5.)
- Federal Work Study (Federal program but Campus-based; income earned doesn't count towards student's financial need the following year; typically 10 – 15 hours/week.)

Institutional:

- Grants/Gift aid, Scholarships, Merit Awards vary by state, institution and organization
and may be determined by grades, test scores, talent, athletics, interests, diversity (geographic, gender, academic focus, ethnic, racial, religion, etc.)
- Campus Employment Programs (Non-FWS; varies by school.)

New York State:

http://www.hesc.com/content.nsf/SFC/Paying_for_College

- TAP Award
- NY HELPS Loans
- NY State 529 Savings Plan
- NY State Scholarships

Note: See last slides for links to websites and resources.

Special circumstances that may reduce your EFC and increase your eligibility for Financial Aid

After you/your student submits the FAFSA, you can ask each college's Financial Aid Office or Administrator to take into consideration the following types of circumstances.

You will need documentation for:

- A Parent has recently lost their job
- High unreimbursed medical expenses
- Fluctuations in annual income
- One-time non-discretionary expense (ie. unreimbursed relocation expenses)
- Care of an elderly/ill family member
- Disabled sibling over the age of 24

Myth Two

- It's a waste of time to fill out the FAFSA and CSS Profile since we probably don't qualify anyway.

You/your student must complete and submit a FAFSA in order to be considered for:

- ANY Federal Funds (including Stafford Loans, Parent PLUS Loans and Federal Work Study)
- NY State Funds (including TAP Awards, Merit Scholarships and other state funds.)
- Institutional Grants, Scholarships, Awards or Loans at many schools (Public/Private)

The FAFSA is FREE. It's a good idea for everyone in your family to have their own PIN. You and your college-bound student must each have one, so that you can electronically sign the FAFSA.

Filling out the FAFSA correctly and carefully is critical; it will result in an **EFC** (Estimated Family Contribution) and a **SAR** (Student Aid Report) that the colleges your child selects will use to determine any Federal Financial Aid and often, State and Institutional Aid.

You/your student must also complete, submit and pay for the CSS PROFILE application if the colleges he/she is considering require it, in addition to the FAFSA.

(\$25. for 1st school; \$16. for each additional school)

- **If schools require it, the Profile is used to determine your EFC in conjunction with the FAFSA,** and the amount and types of grants/gift aid, scholarships, merit awards and any other available **Institutional Financial Aid** (the funds available through a particular college or university, rather than Federal Funds) for which your student may qualify.
- **Some information from FAFSA will be applicable to the Profile,** but Profile is more detailed and seeks more information than FAFSA.
- **Some schools may require their own financial aid form.** Check college websites carefully and/or call their Financial Aid Office.

Tip: *If you have another child in college or private elementary or secondary school, your EFC may be reduced which may be a positive factor in determining the amount of financial aid your student may qualify for. It is up to a Financial Aid Officer to determine any reduction, which relies on strictly adhered to formulas. **So don't try to bargain!***

Myth Three

- My/our child should only consider a SUNY. Out-of-state public colleges and private colleges cost too much.

Beware of “Sticker Prices”!

It is true that compared to private colleges and out-of-state State University Systems, SUNYs are a veritable bargain.

- However, based on your EFC and/or your child’s academics, talent, geographic location, and a host of other factors, a private college’s Financial Aid package may include generous grant and/or merit and/or scholarship monies in addition to any Federal FA that your student qualifies for, such as Stafford Loans, Parent Plus Loans, etc.

Out-of-state tuition at many Public Universities/Colleges can still be rather expensive and Public Universities may not have as much grant/merit/scholarships funds to offer as Private schools, but they do put FA packages together in order to attract certain students and athletes. Any Federal Financial Aid your student qualifies for will still be available.

When you add it all up and compare offers, you may discover that your child's top choice private school will not cost as much as you'd thought. (But remember to factor in costs such as transportation, monthly spending money, books, a computer, and other fees).

Your child needn't be an Einstein to be offered merit money from many private schools! If you research carefully (**and this is where I can help**), you can find schools that will pay for the honor of having your child join their campus. For example, I worked with a local B+ student with 1860 SATs and an interest in science and math who applied to several good schools. He was awarded \$47,000/4 years to Allegheny College (a *Colleges That Change Lives* selection), \$36,000/4 years to tiny Washington and Jefferson College and \$32,000/4 years to McDaniel College in MD.

The reasons? They may have been looking for students from NY which is known to have very good schools (geographic diversity); they may have wanted to attract male science/math students (gender, academic focus) or perhaps they wanted to make inroads with his particular high school.

Research wisely. Look for schools outside of the usual top 20 or 30 who may be thrilled to have you—a bright, talented New Yorker--on their campus-- and you may be surprised to be offered a scholarship or a merit award.

Note: not every college or university requires the **FAFSA** and/or **CSS PROFILE** in order to receive a **merit award**. However, many do; **NY State require FAFSA for state merit and aid**. So carefully filling out and submitting them are in your best interest, *even if you think you don't qualify!*

Myth Four

- If my child checks the box for financial aid on the Common Application, s/he will have less chance of being accepted.

This is *partly* a myth. Why?

- **Many schools are need-blind** (they don't consider a student's ability to pay). However, because of the weakened economy, so many students need financial aid that *some* need-blind schools may consider financial need when making *borderline* admissions decisions.
- **Some schools are need-aware;** they *do* consider financial need. It's important to know which schools are need-blind/need-aware when developing your list of schools.

But financial need isn't the sole predictor of admission **by any means** and you should respond honestly on the Common Application and any/all institutional applications.

That being said, I believe there are many schools that could be a good fit for each student. And each of those schools has a different admissions process, financial health and outlook, and philosophy.

- **Look carefully at schools' admissions data.** See how many students received financial aid (www.collegedata.com). You may be relieved to find out that more receive aid than don't. Then look at the school's admissions profile for the most recent year and see where you fit in.
- **What talents, achievements, abilities do you have** that the school might be interested in? How many students are from NY State? What programs does the school have that interest YOU?
- **Connect with an admissions officer, a professor in your academic area of interest, or a coach.** Visit in person. More than once, if possible. Have lunch with a student. A sleep over. Be sure to let the school know in your supplemental essay or interview, if appropriate, why you are a great fit for the school *and what you can bring to the campus community.*

Then apply to the schools that are the best fit for you—check the box for financial aid if you do need it--and then forget about it and move ahead!

Myth Five

- If my child applies for financial aid, our retirement funds and our home equity will be factored into the calculation for the FAFSA and we won't qualify.

Retirement savings accounts are not considered in the FAFSA calculation of the EFC (Federal Methodology), nor is the equity in your primary residence.

- The FAFSA protects a certain percentage of parental assets, according to age (the closer to retirement, the more assets are protected). *If you have other real estate holdings, especially any income-producing properties, however, they will be factored in.*
- Unlike the FAFSA, the CSS Profile *does* consider home equity and other real estate owned, but considers and protects more of the parents' assets than the FAFSA. Still, the Profile is a much more detailed form than the FAFSA. ***Keep in mind, while you must always answer the questions honestly, it's main objective is to seek out hidden wealth.***

Resources:

FAFSA

<http://www.fafsa.ed.gov/index.htm>

- **Get PIN/s!** (Get a pin for each family member)

<http://www.pin.ed.gov/PINWebApp/pinindex.jsp>

- **FAFSA 4Caster**

<https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s1>

Federal Student Financial Aid

<https://studentaid.ed.gov/PORTALSWebApp/students/english/index.jsp>

- **Recent changes to Federal Student Aid:**

<http://studentaid.ed.gov/PORTALSWebApp/students/english/recentChangesSA.jsp>

Federal Stafford Loans

<https://studentaid.ed.gov/PORTALSWebApp/students/english/studentloans.jsp?tab=funding#01>

CSS Profile

<https://profileonline.collegeboard.com/prf/index.jsp>

List of Schools Requiring CSS Profile

<https://profileonline.collegeboard.com/prf/PXRemotePartInstitutionServlet>
[PXRemotePartInstitutionServlet.srv](https://profileonline.collegeboard.com/prf/PXRemotePartInstitutionServlet.srv)

Resources, continued:

Student Financial Aid

etc.)

<http://mappingyourfuture.org/>

NY State Higher Education Services Corporation (TAP Award,

<http://www.hesc.com/content.nsf>

FinAid.org

<http://www.finaid.org>

NY's 529 college Savings Program

<https://uii.nysaves.s.upromise.com/content/home.html>

CollegeBoard.com - Pay For College

<http://www.collegeboard.com/student/pay/index.html>

CollegeData.com

http://www.collegedata.com/cs/main/main_pay_tmpl.jhtml

- Profile of Financial Aid by College/University (look up)

http://www.collegedata.com/cs/data/college/college_pg03_tmpl.jhtml?schoolId=787 -

EFC Calculators

http://apps.collegeboard.org/fincalc/efc_welcome.jsp

Loan Repayment Calculators

<http://studentaid.ed.gov/PORTALSWebApp/students/english/OtherFormsOfRepay.jsp>

<http://mappingyourfuture.org/paying/standardcalculator.htm>

Salary Wizard Calculator

<http://www.mappingyourfuture.org/Paying/debtwizard/index.cfm>