
Section A

Federal & State Financial Aid

Financial Aid Sources

- Federal government
- State government
- Institutions
- Private foundations, individuals or companies



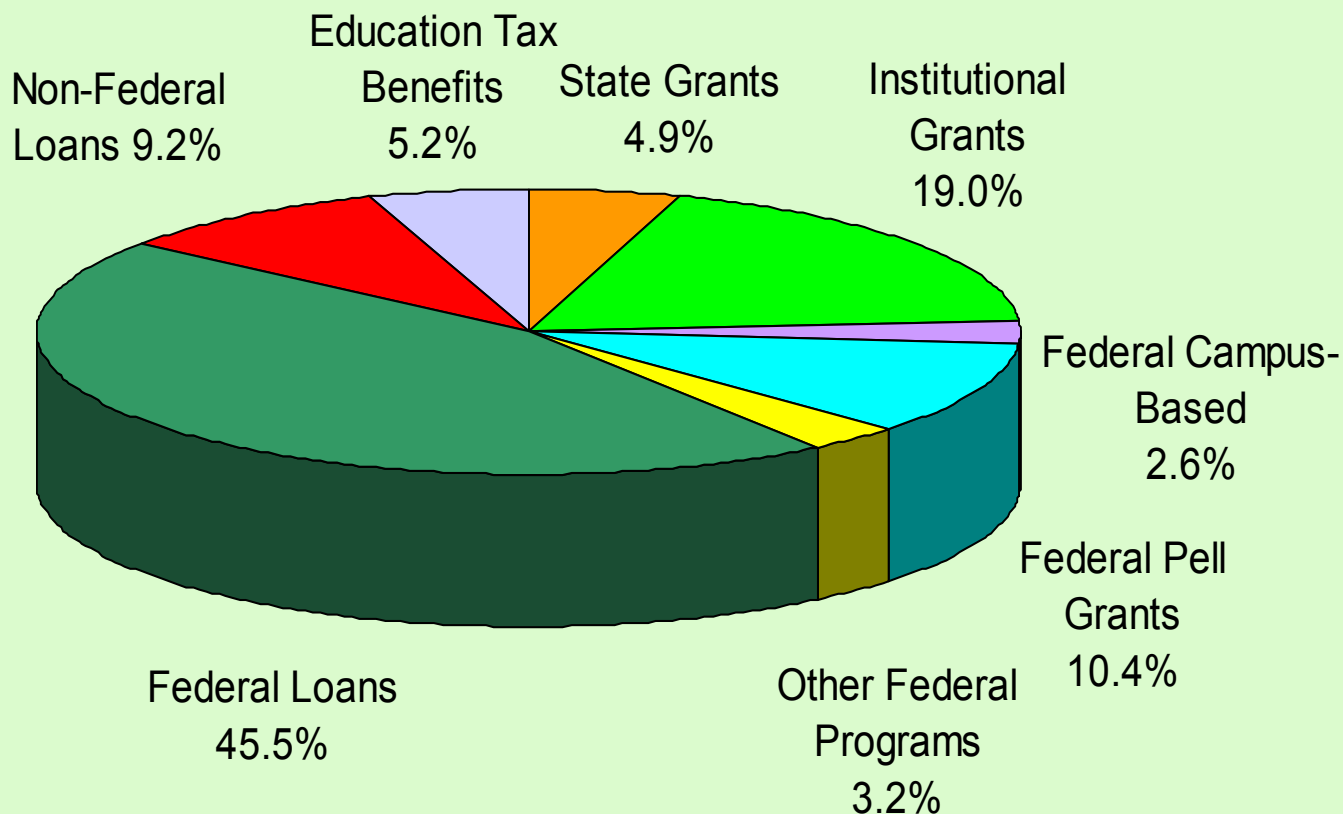
Gift Aid

- Grants
 - Federal
 - Institutional
 - Private
 - State
- Scholarships
 - Private
 - Institutional



Estimated Student Aid by Source Academic Year 2003-2004

Total Aid Awarded \$122.0 Billion



Information courtesy of the College Board

Federal Pell Grant

- FAFSA must be filed
- Undergraduates only
- Student must demonstrate exceptional need
- Based on COA, EFC & enrollment status
- 2005-06 maximum = \$4,050

Federal Supplemental Educational Opportunity Grant (FSEOG)

- Campus-based aid
- Undergraduate students only
- Priority given to students with exceptional financial need
 - Pell Grant recipients
- Funding levels vary at each institution

Cal Grants

- Student must meet
 - All federal eligibility criteria
 - Income & asset limits
 - GPA requirement
- Amount paid is determined by
 - Grant program & school segment
- Renewal is based on program participation

Other State Programs

- State University Grant
 - California State University
 - Amount varies depending on school
 - FAFSA required
- Board of Governors' Fee Waiver
 - CA community college students
 - Waives enrollment fees
 - FAFSA may be required

Institutional and Outside Aid

- Provider decides on
 - Awarding criteria
 - Application deadline
 - Forms or applications
- Awards may be
 - Merit-based
 - Need-based
 - Combination of the two

Self-Help Aid

- Loans
 - Federal Perkins
 - FFEL/Direct
 - Subsidized Stafford
 - Unsubsidized Stafford
 - PLUS
 - Private
- Employment
 - Federal
 - Institutional

Federal Perkins Loan

- Priority given to those with exceptional need
 - Eligibility for Federal Pell Grant is determined first
- Annual and aggregate loan limits for undergraduates
 - Up to \$4,000 annually
 - \$20,000 aggregate

Federal Perkins Loan (cont.)

- Fixed interest rate of 5%
- 9-month grace period
- Repayment 10-year maximum
- Deferment and cancellation provisions
 - Teaching
 - Nursing
 - Law enforcement
 - Childcare

Stafford Loan

- School determines program in which to participate (Direct or FFEL)
- Subsidized
 - Must have “financial need”
- Unsubsidized
 - Not “need-based”
- Annual & aggregate loan limits

Cost of Borrowing

- Interest rate
 - Variable, changes every July 1st
 - Capped at 8.25%
- Fees
 - Up to 3% origination fee paid to the U.S. Department of Education (ED)
 - Up to 1% insurance premium paid to the guarantor

PLUS Loan

- Parent borrows for dependent undergraduate
- Approval subject to credit check
- Loan limits
 - Annual: COA less other aid
 - Aggregate: none
- Interest rate variable, capped at 9%
- Repayment begins 60 days after final disbursement

Federal Family Education Loan (FFEL) Program

- Includes
 - Federal Subsidized Stafford Loan
 - Federal Unsubsidized Stafford Loan
 - Federal PLUS Loan
- Money comes from lending institutions
- Borrowers have somewhat different repayment options

William D. Ford Federal Direct Loan Program

- Direct Subsidized Stafford Loan
- Direct Unsubsidized Stafford Loan
- Direct PLUS Loan
- Money comes directly from ED
- Repayment options slightly different from FFELP

Work-Study

- Funded by federal government or institution
- Undergraduates and graduates
- Job not guaranteed
- Money must be earned
- Can be either on or off campus
- Funding levels vary at each institution

Private Loans

- Not Title IV aid program
- Also known as alternative loans
- Credit & income based loan
 - May require a co-signer
- Lender assumes the risk of default
- Loan fees & interest usually higher than Stafford loan

Application Process

Applying for Financial Aid

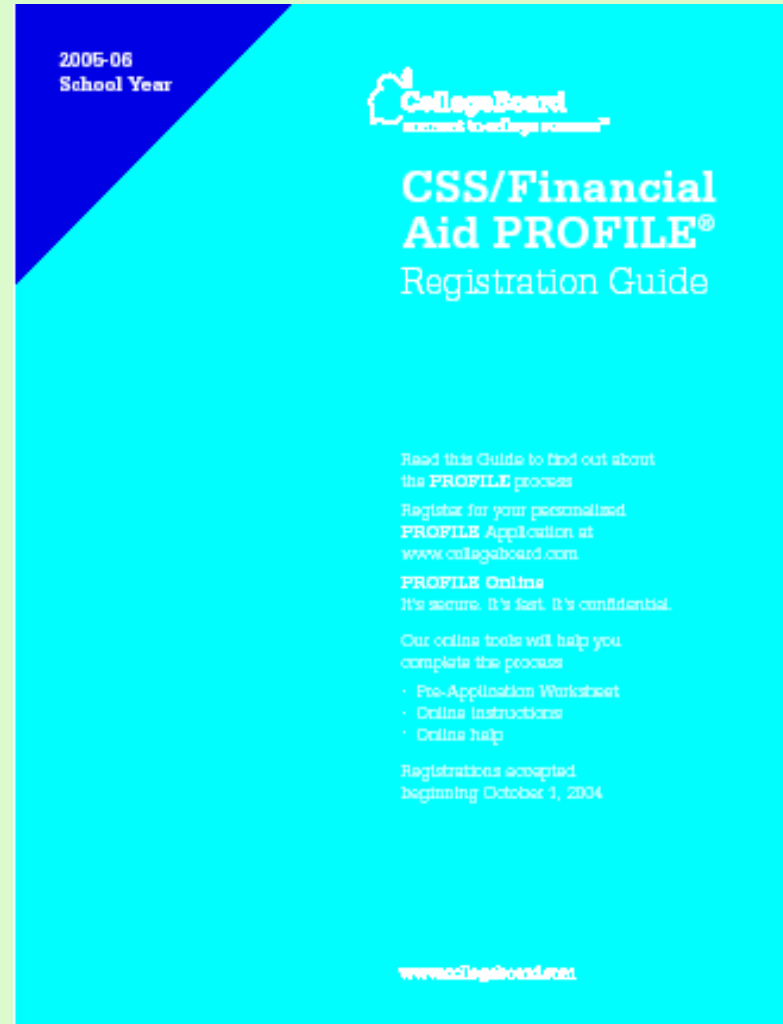
- When applying to an institution, a student should ask the following:
 - What forms does the institution require?
 - Does the school require the completion of an institutional form?
 - What are the filing deadlines for each form required?

Types of Applications

- FAFSA
- CSAC GPA Verification Form
- Institutional application
- Private and other applications
- CSS PROFILE Form

Financial Aid PROFILE

- Registration Guide
 - No paper registration or form
 - \$5 online registration
 - \$18 per school



Financial Aid PROFILE (cont.)

- Not used for awarding federal financial aid
- Not all schools require
- Paper Profile will be eliminated for 2005-06
 - On Web site October 1st
- Paper Profile Registration Guide will continue

Calculating Financial Need

Basic Equation of Need

Cost of Attendance (COA)

– Expected Family Contribution (EFC)

= Student's Financial Need (eligibility)

Cost of Attendance

- Tuition and fees
- Room and board
- Books and supplies
- Transportation
- Miscellaneous personal expenses
- Cost of computers
- May also include other expenses

Expected Family Contribution

- Need Analysis is the formula used in determining a family's EFC
- EFC is the measure of a family's financial strength
- Financial Aid Administrators use the EFC to determine the student's overall need for financial aid

Need-Based Financial Aid

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Cal Grants (A, B & C)
- Subsidized Stafford loan
- Federal Perkins loan
- Federal Work-Study
- Some institutional scholarships

Not Need-Based Financial Aid

- Some institutional scholarships
- Some private sector scholarships
- Unsubsidized Stafford loan
- PLUS loan
- Some institutional work-study

Calculating Eligibility

- Federal EFC will be same at all schools
- Federal financial aid eligibility varies based on institution's COA
- Some schools may use institutional methodology to award their own institutional funds

Eligibility Varies Based on Cost

Public 2-year

COA \$13,422
- EFC 1,000
= Need \$12,422

Public 4-year

COA \$15,514
- EFC 1,000
= Need \$14,514

Private 4-year

COA \$28,979
- EFC 1,000
= Need \$27,979

Special Circumstances

Special Circumstances

- Adjustments *may* be made to information on a case-by-case basis
- Special circumstances include
 - Dependency status
 - Income and assets
 - Child support
 - Number in household or college
 - Medical or dental expenses
 - Private elementary/secondary tuition

Special Circumstances (cont.)

- Presenting the case
 - First, call each Financial Aid Office for guidance and required forms
 - A detailed explanation may include
 - Student's name and SSN
 - Give SPECIFIC financial details
 - Time period involved
 - Attach supporting documentation

Special Circumstances (cont.)

- Follow up with Financial Aid Office (FAO)
- Each FAO makes their own decision, results may vary from school to school
- Once made, change may not necessarily affect student's eligibility for certain types of aid

Awarding

Awarding & Packaging

- Federal awarding guidelines
 - Pell Grant is awarded first
 - Subsidized Stafford loan eligibility is calculated before unsubsidized
 - Campus-based aid awarded in any order school chooses
- Institutions have different awarding policies

Awarding & Packaging (cont.)

- Award letters may vary in composition
 - Listing of awards and amounts
 - COA, EFC, need and unmet need
 - Period of enrollment covered
- Response may or may not be required

Questions?

FAFSA Review Line-by-Line

Records Needed

- SSN & drivers license number
- 2005 federal income tax returns
- 2005 W-2 forms
- Alien Registration number (ARN)
- Untaxed income information
- Records of stocks, bonds & investments
- Business & farm records
- Current bank statements

Front Page

- **Blue** Section = Student
- **Purple** Section = Parent
- Who to call for questions
 - www.studentaid.ed.gov
 - 1.800.4.FEDAID
- State scholarships
 - Dates
 - Forms

Step One

#1-3 Name

- List name exactly as it appears on Social Security card
- No nicknames
- Database match with Social Security Administration (SSA) will occur

Step One (cont.)

#8 Social Security Number (SSN)

- Must have a SSN to submit the FAFSA
 - 800.772.1213 or www.ssa.gov
- SSN, name & date of birth confirmed with SSA
 - Naturalized citizens should make sure SSA has naturalization on file

Step One (cont.)

#13 Student's e-mail address

- Receive FAFSA information through a secure link on Internet
- Address will be shared with
 - Schools listed
 - State

Step One (cont.)

#14 & 15 Citizenship Status

- U.S. Citizen
 - Confirmed by SSA match
- Eligible non-citizen
 - Must provide Alien Registration Number (ARN)

Step One (cont.)

- Precede an 8-digit ARN with a zero

15. ALIEN REGISTRATION NUMBER

A	0	2	8	2	5	6	0	0	1
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- The ARN will be matched with records at the Department of Homeland Security (DHS)

Step One (cont.)

#16 Marital status

- As of the date form signed

#17 Date of marital status

- Leave blank if never married or single

Step One (cont.)

#18-20 State Residency

- For Cal Grant purposes

- CA resident as of September the previous year
- If applicant is under 18 AND did not indicate CA as state of legal residence, parent's state of residency will be used (# 67 - 69)
- Active duty military considered CA residents

Step One (cont.)

#21-22 Selective Service

- Males between 18 and 25 may register by marking box
 - May also register at www.sss.gov
- Wording explains what happens when student answers “Yes”

Step One (cont.)

#23 College Degree/Certificate

- Choose description that best fits first choice in degree objective

#24 Your Grade Level

- Choose appropriate number that best fits grade level

Step One (cont.)

#25 HS Diploma or GED?

- Required to be eligible for Title IV aid
 - Home schooling may fulfill requirement

#26 First Bachelor's Degree?

- If currently a high school senior, answer '**NO**'

Step One (cont.)

#27-28 Interested in Loans or Work-Study?

- “Yes” answer does not:
 - Obligate student to either program
 - Will not cause loss of gift aid
- If unsure, answer “yes” then decline after aid is awarded
- “No” answer may:
 - Restrict awarding of limited loan & work-study funds

Step One (cont.)

#29-30 Parents' Educational Background

- Use birth parent(s) or adoptive parent(s)
 - Do not use
 - Stepparents
 - Foster parents
 - Legal guardians
 - Definition of parents are specific for these 2 questions
- List highest level of school completed

Step One (cont.)

#31 Drug-related Conviction

- Worded for “no/yes” response
- Financial aid cannot be awarded if left blank
- Do not answer “yes” if
 - Conviction was for alcohol or tobacco
 - Conviction was removed from record or occurred before 18, unless tried as an adult

Step Two

#32-45 Income and Asset Information

- Questions will be answered during income and asset portion for parents in Step Four

Step Two (cont.)

#46-47 Veterans Education Benefits

- If eligible for veterans education benefits, report expected monthly amount
- Number of months should equal number of months attending school (usually 9 months)
 - 800.827.1000 or www.va.gov

Step Three

#48-54 Dependency Status

- If student answers “yes” to any question in Step Three, skip Step Four & go to Step Five
- If student answers “no” to all 7 questions in Step Three, parental information must be provided regardless of whether student is claimed, lives with or is supported by parent

Parent Information

- Who is considered a parent for this section?
 - Biological parent(s)
 - Adoptive parent(s)
 - Stepparent
 - Regardless of prenuptial agreements
 - Common-law marriage
 - Not recognized in California

Parent Information (cont.)

- Who is not considered a parent for this section?
 - Foster parent(s)
 - The ward is automatically considered an independent student
 - Legal guardian(s)
 - Must attempt to get parental information
 - FAO may use Professional Judgment to make student independent

Step Four

#55-56 Parents' Marital Status

- As of date application is signed
- Custodial Parent
 - Parent the student lived with most in last 12 months
 - If unable to determine, who provided most of student's support?

Step Four (cont.)

#57-60 Father's or Stepfather's SSN,
Last Name, First Initial & DOB

#61-64 Mother's or Stepmother's SSN,
Last Name, First Initial & DOB

–Should be for same person(s) whose
financial information is being
reported on form

–If no SSN, write in zeroes

Step Four (cont.)

#65 Number in Parents' Household

- Include student and parents
- Parents' other children
 - If parents provide more than 1/2 support from July 1, 2005 through June 30, 2006, or
 - Other children could answer “no” to every question in Step Three

Step Four (cont.)

- Other people if they now live with student's parents and
- Parents currently provide more than $\frac{1}{2}$ support and
- Parents will continue to provide more than $\frac{1}{2}$ of their support from July 1, 2006 through June 30, 2007

Step Four (cont.)

#66 Number in College

- Write in number of people from question 65 who will be college students between July 1, 2005 and June 30, 2006
- Always include student
- Do not include parents

Step Four (cont.)

#67-69 Parents' State of Legal Residence

- Used for Cal Grant purposes if student is under 18 years of age AND did not indicate CA as state of legal residence
- Used in need analysis formula to determine state tax allowance

Step Four (cont.)

#70 Tax Filing Status

#71 Type of Return Completed

#72 Tax Form Eligible to File

#73-77 Information from Tax Return

- Reporting information directly from Federal 1040 form is best

Step Four (cont.)

#73-77 Income Information

- Custodial parent filed with ex-spouse
 - Consider only income of custodial parent (which includes any child or spousal support received)
- Custodial parent remarried
 - Stepparent information must be included

Step Four (cont.)

#78-80 Complete Worksheets A, B and C on page 8

- A and B are untaxed income items
- C is exclusions from taxed income
- Parents complete purple area
- Students complete blue area

Step Four (cont.)

#81-83 General Asset Information

- If net worth is one million or more, enter \$999,999
- If negative, enter 0
- Net worth means current value minus debt

Step Four (cont.)

#81 Total of Cash, Savings and Checking Accounts

- Total as of the day the FAFSA is signed

Step Four (cont.)

#82 Net Worth of Investments

- Do not include home you live in, prepaid tuition plans or value of life insurance, and retirement plans
- Include other real estate, Education IRAs, CDs, money market funds, mutual funds & college savings plans
- Trust funds must be reported even if access is restricted

Step Four (cont.)

#83 Net Worth of a Business or Investment Farm

- Value means market value of land, buildings, machinery, equipment, inventory, etc.
- Debt means only debts for which business or investment farm was used as collateral

Reminder

The information provided throughout Step Four is the same for the questions in Step Two

Step Five

#84 Number in Student's Household

- Complete this section only if student answered “yes” to all questions in Step Three
- Include student and spouse
- Student's children
 - If student will provide more than 1/2 support from July 1, 2006 through June 30, 2007

Step Five (cont.)

- Other people if they now live with student **and**
- Student currently provides more than 1/2 of their support, **and**
- Student will continue to provide more than 1/2 of their support from July 1, 2006 through June 30, 2007

Step Five (cont.)

#85 Student's Number in College

- Write in number of people from question 84 who will be college students between July 1, 2006 & June 30, 2007
- Always include student

Step Six

#86-97 Schools to Receive Information

- List up to 6 schools
- Federal school codes available from
 - FOTW
 - High School Counselor
 - Financial Aid Office
- Select housing plan that best describes where student expects to live while attending that particular school

Prioritizing College Choices

- List a CA school for Cal Grant consideration
- List schools most likely to attend
- Ways to add schools
 - Wait for processed Student Aid Report (SAR)
 - Add schools by phone or on the Web
 - Contact non-listed colleges; keep them informed

Step Six

#98 Expected Enrollment

- Question reworded for greater understanding
- Wording simplified
- If in doubt, report full-time

Step Seven

#99-100 Date and Sign

- If filing electronically, don't forget PIN or signature page
- If filed by a dependent student, student and 1 parent must sign
- If filed by an independent student, student must sign

Specialized Use Boxes

- Preparer's Section
 - If parent or student pays an individual to complete FAFSA, that person must complete this part
- School Use Only
 - Financial Aid Administrator uses this box in rare case of a dependency override

Paper FAFSA Filing Tips

- File Early
- Check completeness and accuracy
- Sign and date form
- Make a copy before mailing
- Mail in envelope provided
 - Do not include any other forms
 - Use regular mail
- Obtain a **Certificate of Mailing**

FOTW Filing Tips

- Apply for PIN(s) **NOW!**
- Gather necessary documents ahead of time
- Complete a Pre-FAFSA Worksheet
- Check browser requirements
- Allow ample time to complete for on-time submission

FOTW Filing Tips (cont.)

- Check application for accuracy prior to submission
- Save all work periodically
- Sign application using PIN(s)
- Keep a copy of Submission Confirmation Page

What Happens Next?

- SAR acknowledgement is produced when FAFSA filed
 - SAR sent to student
 - ISIR sent to institutions specified by student
 - Contains data elements completed on FAFSA

What Happens Next? (cont.)

- SAR will be **blue** for 2006/2007
- Expect SAR after filing
 - Up to 4 weeks for paper FAFSA
 - 1 to 2 weeks for FOTW
- Carefully review for any errors
- Contact school before submitting corrections

What Happens Next? (cont.)

- Alerts applicant and school
 - To possible database match problems
 - If application has been selected for verification
 - To whether or not EFC has been calculated

Questions?
