



Financial Aid

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INDIANA UNIVERSITY
PURDUE UNIVERSITY
COLLEGE



Financial Aid

- Funds provided to student to help pay for postsecondary educational expenses
- Free Application for Federal Student Aid is the application to be offered financial aid (must be submitted every year)
- www.FAFSA.ed.gov or www.FAFSA.gov
- Snapshot of personal & financial information (marriage, number in household/college, income/assets)



FAFSA - 2019/2020

- Available online October 1, 2018
- Will use 2017 tax returns
- State deadline: April 15

Federal Student Aid | FAFSA.gov



FSA ID

- Use to login & provide electronic signature on FAFSA
 - login with financial aid recipients FSA ID
- Started 5/10/15 - If you have a PIN, you can link information to FSA ID by entering PIN while registering.
- Students & parent will need to have their own ID
 - Parents with multiple children use same FSA ID
 - Parents completing the FAFSA themselves will use the same FSA ID
- Each FSA ID must have unique e-mail address

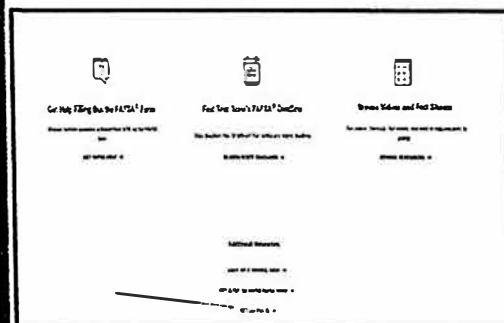


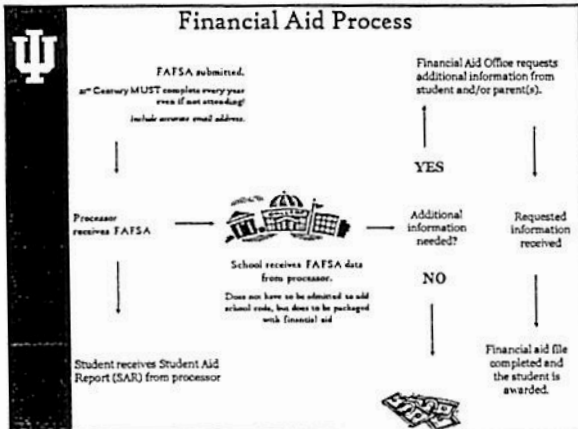
FAFSA & FSA ID Screenshots

Federal Student Aid | FAFSA.gov



FAFSA & FSA ID Screenshots





- ### Ψ FAFSA Database Checks
- Social Security Administration
 - Make sure all legalized name changes have been updated
 - Selective Service
 - Gentleman between 18-24 must be registered
 - www.sss.gov
 - National Student Loan Data System (NSLDS)
 - www.nsls.ed.gov
 - If data doesn't match can cause delays in processing financial aid funds

- ### Ψ Cost of Attendance (COA)
- Direct & indirect costs
 - Direct is billed by or paid directly to college
 - Tuition/fees
 - On-campus housing
 - Indirect are necessary expenses
 - Transportation
 - Personal care items
 - Varies from college to college
 - Puts a cap on the amount of financial aid a student can receive

- ### Ψ Estimated Family Contribution (EFC)
- Calculated by using federal formula & data from FAFSA
 - Amount family can be expected to contribute towards COA
 - Stays same regardless of college
 - NOT what a student owes the school - is used to determine need based aid
 - Examples: \$5,486 or lower is Pell eligible & Subsidized Loans

- ### Ψ Financial Need
- Financial need determines how much financial aid you may receive (and the types of aid)
 - Need is the difference between the COA & EFC
 - Will vary based on the cost of different colleges
 - $COA - EFC = \text{Financial Need}$

- ### Ψ Types of Aid
- Scholarships - Do not need to be repaid
 - Grants - Do not need to be repaid
 - Awarded based on financial need
 - Loans - Borrowed money
 - ALL FAFSA applicants offered Stafford Direct Loans
 - Employment
 - Work-Study: Students earn a paycheck to help pay educational costs.
 - School pays 25% of salary & Government pays 75% and this is why it's financial aid
 - Non-monetary compensation, such as room/board



Enrollment Requirements

- Loans (Any):
 - Minimum 1/2 time (6 credit hours for undergraduate & 4 credit hours for graduate)
- Pell Grant:
 - No requirement, but is pro-rated based on enrollment
- State Grants (O'Bannon & 21st Century Scholars)
 - Full time (12 credit hours) to receive. 21st Century will pay up to 15 credit hours
- Child of a Disabled Veteran (CVO or CDV)
 - No enrollment requirement
 - MUST have FAFSA on file & remission of fees form submitted to school

Contact financial aid office before making schedule changes!!



Federal Direct Loans

- Every applicant of the FAFSA offered
- Department of Education is lender
 - Servicer will "take over" the loan and will be where payments are made
- 5.05% interest - FIXED
- Does not look at credit
- Do not have to accept (if canceled can add back to account as long as enrolled in 6 credits)
 - Can reduce or decline
- Track at National Student Loan Data System (NSLDS)



Federal Direct Loans

- No penalty for early repayment
 - Making a payment will not put you into repayment
- Loan is students responsibility to repay
 - Not parents even though parents income considered
- Repayment starts 6 months after enrollment falls below 1/2 time
- Only 1 grace period
- If consolidate loans, waives grace period
- Must sign a Master Promissory Note & complete Entrance Counseling at studentloans.gov



Federal Direct Loans

- Subsidized: Government pays interest while in school
 - Based on financial need
- Unsubsidized: Interest accrues after awarded
 - Receive quarterly statement of interest
 - Pay if you can, so you don't pay interest on interest
 - Minimum \$2,000 dependent amount

	Dependent	Independent
Freshman (0-30 CR)	\$5,500	+ \$4,000
Sophomore (31-60 CR)	\$6,500	+ \$4,000
Junior (61-90 CR)	\$7,500	+ \$5,000
Senior (90+ CR)	\$7,500	+ \$5,000



Parent PLUS Loan

- For Dependent students
 - Studentloans.gov
- Department of Education is the lender
 - Servicer will take over the loan
- Approval: Loan is parents responsibility to repay
- Denial: Allows student additional unsubsidized loans
 - Independent loan limit eligibility
 - Unsubsidized loan will be students responsibility
- 7.6% interest
- Repayment starts 60 days after final disbursement
 - Parent can request deferment through lender
- Must sign Master Promissory Note at studentloans.gov



Other Loans

- Private Loans
 - Interest varies based on credit (might need co-signer)
 - Flexible repayment
 - ASK A LOT OF QUESTIONS



Dependent Students

- 13 dependency questions - Answer yes to 1 to be independent
 - Age, Married, or Dependents
 - Veteran
 - Orphan or Ward of the Court
 - Has an undergraduate degree
 - Emancipated as a MINOR (before age of 17) or legal guardianship
 - Need documentation
- Financial independence does not = independent
- Other option is dependency override through school
 - If student has no contact with parents
 - Student will only use someone else's information as parent (such as grandparents) if there has been a legalized adoption



Whose Information on FAFSA

- Applicant
- Applicant's Spouse (if applicable)
- If dependent = parent(s) information
 - Parents married = both their information
 - Parents divorced = Parent student lives with, financially supported by, or the primary parent on divorce decree
 - That parent remarried their spouse will be included
- Parent/student divorced & filed joint tax return = separate out their income (W2's), do not include ex-spouses information
- Applicant pregnant = unborn baby claim dependent
- Not who claims student on tax return



IRS Data Retrieval Tool

- Will prefill answers to some questions on FAFSA
- Transfers data from federal income tax returns
- IRS will authenticate taxpayer's identity
- Directed to new window to transfer information
- Participation is voluntary
 - Improves accuracy
 - Can reduce documents later requested by school
- Cannot use if married, but filed separately, if there has been a change in marital status of the applicant/parent, student/parent filed a Puerto Rican or foreign tax return, etc.



Special Circumstances

- Appeal that allows you to report things that cannot be reported on the FAFSA
 - Change in employment status
 - Death/divorce
 - Medical bills not covered by insurance
 - Change in parent marital status
 - Unusual dependent care expenses
- Complete to increase COA or decrease EFC
- Ask financial aid office for appeal form to report this information



Timeline

- Complete FAFSA - receive Student Aid Report (SAR)
 - There is no other application, offer is automatic
- 3-5 business days for school to receive information
 - If applicant has been admitted.
- 4-6 weeks for the complete process
- Award letter (Financial Aid Notification/FAN) sent
 - Generally mail first time & university email rest
- Grants/Scholarships will automatically post. Loans must be accepted



Per School

- Check award/refund process
 - IUPUC awards aid 10 days before first day of classes & refunds are done daily for first two weeks of class
 - Make sure to sign up for direct deposit
 - Ivy Tech awards/refunds their aid 8 weeks into classes
- Check book process
 - IUPUC does not have a process to "charge" books, will have to have refund to purchase
 - Ivy Tech charges books to accounts because of their late refund period
- Check balance process
 - IUPUC has payment options, will not withdraw from classes, but has to be paid before next registration
 - Ivy Tech will withdraw if there is a balance

