

College Cost and Financial Aid Overview



Forthcoming Changes

- FAFSA Using Prior-Prior Year Data
- 2017-2018 FAFSA Will Be Available in October 2016 Instead of January 2017
 - College Application Deadlines May Change (Move Earlier)
 - Award Letters Will Be Available Earlier (Nov./Dec. instead of mid-March)



College Costs

- Components of Cost
 - Direct Costs
 - Tuition
 - Room
 - Board
 - Fees
 - Indirect Costs
 - Books & Supplies
 - Transportation
 - Misc. Expenses
 - Loan Fees
 - Computing Expenses



The FAFSA

- Free Application for Federal Student Aid
- www.fafsa.gov
- Application for federal aid programs, but also used by:
 - Indiana for state aid programs and
 - Almost all colleges in the US for institutional need-based aid programs.



The EFC

	Parent	Student
Income Contribution	\$X	\$X
Assets Contribution	<u>+\$X</u>	<u>+\$X</u>
	Parent Contribution	Student Contribution

- Automatic Zero calculation triggered when:
 - Parent is eligible to file 1040A or EZ and
 - A member of the household qualifies for benefits from SSA, SNAP, free or reduced lunch, TANF, or WIC.
- Assets exclude savings in all legally defined retirement accounts (401(k), 403(b), Roth and traditional IRAs, etc.)
- Assets exclude equity in your primary residence.



How Cost of College Affects Financial Aid

	Community College (2 yr.)	Regional Public University (2 or 4 yr.)	Flagship Public University (Typically 4 yr.)	Private College	Proprietary College
Sample Total Cost	\$5,000	\$9,000	\$20,000	\$45,000	\$40,000
- Sample EFC Need	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
	\$0	\$0	\$10,000	\$35,000	\$30,000



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	\$0	\$0	\$0	\$10,000	\$5,000



Sources of Aid

- Federal Government
- State Government
- Institutional
- Private/Outside



Types of Aid

- Gift Aid
 - Scholarships (typically merit-based)
 - Grants (typically need-based)
- Self-Help Aid
 - Loans
 - Work/Study



Federal Aid

- Gift Aid
 - Pell Grant: EFC must be below \$5,198 to qualify. Student is eligible for the same amount at every college regardless of the type of institution.
 - SEOG: (Supplemental Education Opportunity Grant) Awarded to students with the lowest EFC at each institution. Eligibility and amounts may vary from college to college.



Federal Aid

- Self-Help Aid
 - Federal Work-Study: Eligibility and amount may vary from college to college. Student must secure employment and is then paid an hourly wage. Amount earned is paid directly to the student not automatically deducted from tuition or other charges.
 - Direct Loans: No credit check required. Loan is in the student's name, no-cosigner required. Parent not affiliated with loan. Interest rate is fixed and determined by Congress. Amounts available are limited. All students filing the FAFSA are eligible for the Stafford Loan provided they are not already in default in a federal educational loan program.
 - Perkins Loans: No credit check required. Loan is in the student's name, no-cosigner required. Parent not affiliated with the loan. Interest rate is fixed and determined by Congress. Eligibility and amounts will vary from college to college
 - PLUS Loans: Credit check required. Loan is in the parent's name. Interest rate is fixed and determined by Congress. Parent can borrow amount needed to cover any education related expenses not covered by financial aid.



State Aid

- Frank O'Bannon Scholarship Program
 - Higher Education Award
 - Freedom of Choice Grant
- 21st Century Scholarship
- Mitch Daniels Scholarship



Institutional Aid

- Scholarships
 - Merit-based: Usually based on HS GPA, SAT/ACT test scores. (Test-Optional Schools)
 - Talent-based: Visual & Performing Arts, Speech & Debate, etc.
 - Leadership
 - Athletic: Available at NCAA Division I, II, and NAIA Schools
 - Other
- Grants
- Campus Employment
- Loans



Private/Outside Aid

- Scholarships
 - Never pay for a scholarship search
 - Good resources include:
 - High School Guidance Office
 - Local Community Foundation
 - www.fastweb.com or other free search websites.
- Loans
 - Typically backed by commercial bank or lender.
 - Typically done in student's name often requires co-signer.
 - Credit check is required.
 - Amount may be up to the full cost of attendance less financial aid.
 - Interest rate is usually variable.

