
UNDERSTANDING THE FINANCIAL AID PROCESS

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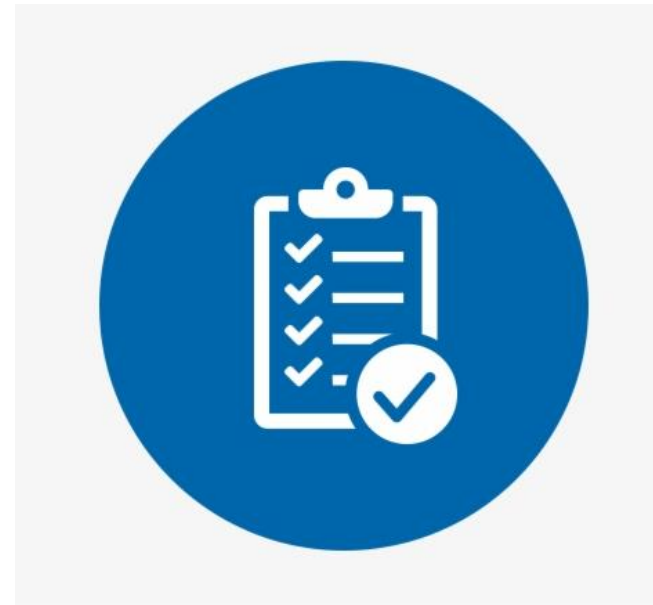


DO YOU FEEL THIS WAY NOW?



AGENDA

- Application process
- How need is determined
- Understanding aid programs
- Q&A



TYPES OF FINANCIAL AID

- Free money
 - Scholarships – typically merit based
 - Grants – typically need based
- Self-help
 - Student loans
 - Parent loans
 - Employment (Work Study)



SOURCES OF AID

- Federal Government
- State Government
- Colleges/Universities
- External sources/lenders, unions, scholarship searches, etc.

HOW TO APPLY

- Deadline Dates - Admission & Financial Aid deadlines are usually different
- Each school may require different forms – look at their financial aid webpages
 - FAFSA – Free Application for Federal Student Aid (*federal*)
 - CSS Profile – College Scholarship Service Profile (*private institutions*)
 - State Aid applications – TAP, Excelsior, STEM, etc.
 - Institutional forms



HOW TO APPLY – FEDERAL AID

- 2024-25 FAFSA to be released in December 2023
 - Subsequent applications will be available October 1st each year
- 2024-25 based on 2022 tax information
- Tax information will come directly from IRS via consent
- Can list up to 20 schools – don't need to wait until they are accepted

WHO PROVIDES INFORMATION ON THE APPLICATION?

- Student is considered dependent and must provide parental information unless:

Federal

- Veteran or active duty
- Married
- Have children or dependents they support
- They are an orphan, ward of the court, in foster care or legal guardianship
- DOB prior to January 1, 2001
- They are designated as homeless by a high school or other government agency
- Has other unusual circumstances

State

- Married
- 35 years of age or older
- 22 years or older and: does not reside with parents, does not receive more than \$750 in financial support, has not and will not be claimed as depended on taxes
- Under 22 same as above plus other special conditions (ward of court, orphan, parental rights relinquished, etc.)

FAFSA TIP

WHO ARE CONTRIBUTORS ON THE APPLICATION?

- Contributor is anyone asked to provide information on an applicant's FAFSA:
 - The student;
 - A biological or adoptive parent; or
 - The spouse of the remarried parent that is on the FAFSA – the stepparent
- All contributors are required to have an FSA ID and to provide consent to have their federal tax information (FTI) transferred from the IRS, have their tax data used to determine the student's eligibility for aid, and allow the U.S. Department of Education (ED) to share their tax information with institutions and state higher education agencies for the administration of Title IV aid. Consent is provided once for the award year and cannot be revoked in that award year. This consent is necessary even if the contributor does not have an SSN, did not file taxes, or filed taxes in another country.

FAFSA TIP

WHO ARE CONTRIBUTORS ON THE APPLICATION?

- If biological parents are married to each other, both parents are contributors
- If biological parents are unmarried (including informal separation) and living together, both parents are contributors
- If biological parents are divorced or separated (living in separate residences), income and assets are reported for the parent who provides the most financial support over the 12 months prior to filing the FAFSA, even if the student does not live with that parent or lives with the other parent.
 - If that parent is remarried, the step-parent's information and income is included

HOW TO APPLY – FEDERAL AID

- Need FSA ID and password for both student and parent
 - Do not try to use same email address!

www.studentaid.gov

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

FAFSA® Form ▾

Loans and Grants ▾

Loan Repayment ▾

Loan Forgiveness ▾

Log In

Create Account



Refer to Creating and Using FSA ID resource sheet

HOW TO APPLY – FEDERAL AID

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2023–24 FAFSA® Form

Use the 2023–24 FAFSA® form to apply for college financial aid for 7/1/23–6/30/24.

2024–25 FAFSA® Form Coming in December

Apply for aid for 7/1/24–6/30/25 on the 2024–25 form in December.

Start 2023–24 Form

Returning to the 2023–24 FAFSA® form?

Correct info | Add a school

View your *Student Aid Report* (SAR)

Log In

- The FAFSA is a role based application:
 - Student starts application by indicating they are the student
 - Logs in or creates FSA ID
 - Provides consent to have tax info transferred from IRS
 - Answers questions that determine dependency and who contributors are
 - Invites contributors to complete their portion of the application
 - Student needs name, DOB, SSN and email
 - Completes remaining student portion and signs application
 - Parent uses invite link sent via email to complete their portion, provide consent, and sign application

- The FAFSA is a role based application:
 - Parent starts application
 - Parent logs in or creates FSA ID and indicates they are completing the form as parent
 - Provide information about the student. When determined student is dependent, parent provides consent and information about themselves
 - Parent provides signature and parent section is complete
 - Student will receive email indicating application started on their behalf, they log in and complete their section, **or**
 - Parent will have option to continue application, manually entering student information
 - Student must still log in to provide consent and sign application!

HOW TO APPLY – STATE AID (TAP)

**Higher Education
Services Corporation**

Governor Kathy Hochul Dr. Guillermo Linares - President

Partner Access

Student Access

Search Site . . .

Submit

Prepare Pay Student Loans Accommodation Events Contact About

— STAY INFORMED WITH TEXT MESSAGES! —

High school students and their parents can sign up to get text messages with information and access to the resources you need to prepare for college or apply for financial aid.

Sign Up!

www.hesc.ny.gov

The New York State Tuition Assistance Program

If you are a NYS resident attending college in New York State, apply for TAP.

APPLY NOW!



HOW TO APPLY – STATE AID (TAP)

- Link on confirmation page of FAFSA, *or* HESC will send email when ETA is available to complete, *or* access at HESC website
- NY residents attending NY school
- Income limit of \$80,000 NY Net Taxable Income
- Awards range from \$500 to \$5,665
- Only one school listed at a time
- Enter school issued student ID number for school on application (if known)
- Dependent student parent must sign with state issued ID number

WHAT ARE THE NEXT STEPS?

- The student will be notified about potential eligibility
- The school may need additional documentation to finalize eligibility
- In many cases, notification is electronic either through email or through the school's student portal
- The award notice may or may not include all available aid, more on this in a bit...

NEXT STEP CONT'D.

- Review the school's webpages for scholarship information
 - Some institutions have freshman scholarships that require additional applications
- Explore community, regional, and national scholarship opportunities
 - Use caution with information disclosed!



WHAT ABOUT THE NY FREE TUITION???

EXCELSIOR SCHOLARSHIP



- Program started Fall 2017
- Full-time at CUNY/SUNY colleges may qualify
- AGI limits for family = \$125,000
- Program covers up to **full tuition or \$5,500** (less other grants/scholarships), does not cover fees, room or board

EXCELSIOR SCHOLARSHIP



EXCELSIOR SCHOLARSHIP

- Strict application deadline
- Designed for on-time completion
 - Must take 12 college level credits per semester and complete 30 credits per year to maintain eligibility
 - If a recipient transfers, they must transfer the equivalent of 30 credits per year applicable to their new program
 - Gap in enrollment/change of major could jeopardize meeting annual credit requirements
- If decertified for not meeting credit requirement/good academic standing, scholarship could be lost forever
- 5 page contract must be signed – residency requirement equal to length of receipt of award or converts to a loan (limited exceptions apply)

ENHANCED TUITION AWARD

- For full-time students attending **participating** private institutions
- Can receive up to \$6,000 annually with a combination of TAP, ETA and match from institution
- Same enrollment and residency requirements as Excelsior

OTHER STATE GRANTS/SCHOLARSHIPS

www.hesc.ny.gov

Prepare Pay Repay Contact Accommodation

Home / Pay for College

Pay for College

Grants, Scholarships and Loan

Explore Grants, Scholarships & Other "Free Money"

New York State offers a variety of grants and scholarships for residents who plan to attend in-state colleges:

- [Tuition Assistance Program \(TAP\)](#)—the state's largest source of financial aid provides up to \$5,165 per school year per eligible student
- [Excelsior Scholarship](#) covers the entire tuition for eligible CUNY and SUNY students
- [Enhanced Tuition Awards](#) offer up to \$3,000 to eligible students attending private colleges
- [STEM Incentive Program](#) awards annual SUNY tuition to the top 10% of high school students who pursue a degree in science, technology, engineering or math
- See the [complete list](#) of free money options available

NYS Grants	NYS Scholarships & Awards	Federal Grants	Federal Work-Study	Other Grants & Scholarships	Loan Forgiveness	Student Loans
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NY STATE AID FOR STUDENTS NOT ELIGIBLE TO COMPLETE A FAFSA

Senator José Peralta New York State DREAM Act

**START YOUR
APPLICATION**

By clicking Apply Now, you will be directed to the DREAM Act application, powered by International Scholarship & Tuition Services (ISTS).

APPLY NOW

USER GUIDE-ENGLISH

USER GUIDE-SPANISH

USER GUIDE-TRADITIONAL CHINESE

USER GUIDE-KOREAN

DETERMINING FEDERAL AID AWARDS

- Cost of Attendance (COA) is the estimated annual cost and is comprised of educationally related expenses
 - “Sticker price”
- Combines direct (billed by school) and indirect expenses
- Maximum amount of financial aid a student can receive

Tuition

Fees

Room

Board (meals)

Books & Supplies

+ Transportation

Miscellaneous Personal Expenses

Cost of Attendance

DETERMINING FEDERAL AID AWARDS

- The Student Aid Index (SAI) as determined by the FAFSA is subtracted from the cost of attendance of the college, any difference is “financial need”

<u>School ABC</u>		<u>School XYZ</u>	
COA	\$32,000	COA	\$14,500
— SAI	\$15,000	— SAI	\$15,000
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Need	\$17,000	Need	\$0

HOW SAI IS CALCULATED (DEPENDENT STUDENTS)

- 4 components

1. Parent(s) income
2. Parent(s) assets
3. Student's income
4. Student's assets



PARENT INCOME

- Income includes AGI, deductible payments to IRA/KEOGH/other, tax exempt interest income, untaxed portions of IRA/Pension distributions and foreign income exclusions
- Income is offset by taxable college grants and scholarships reported as income, education credits claimed, and parent FWS earnings
- Allowances against income applied – U.S. income tax paid, payroll tax and an income protection allowance for basic needs
 - Ex. Family of 4 = \$35,870



PARENT ASSETS

- Annual child support from last complete calendar year
- Cash, savings and checking accounts
- Investments include net value of any real estate (not primary residence), stocks, bonds, mutual funds, 529 Plans (for applicant only), trusts, other investments
 - **NOT** retirement plans
- Net value of business or farm (this gets adjusted)
- Asset protection allowance applied based on age of older parent
 - Ex. Age 45 allowance \$6,200 for 2 parent home; \$2,400 single parent home
- Then assessed at 12%



MORE ON ASSETS

- 529 Plans
 - If account owned by dependent student, report as a parental investment
 - If owned by parent, with student as beneficiary, report as parental investment
 - Plans owned by someone not reported on the FAFSA (ex. grandparents, non-custodial parent, other relatives, etc.) are not reported as an investment
 - Distributions from third-party owned accounts no longer count as untaxed income on future applications
- Custodial Accounts (ex. UGMA/UTMA) owned by the student is reported as student's asset
 - Accounts for which parent is custodian, not the owner, for other household members are omitted



DEPENDENT STUDENT INCOME & ASSETS

- Same income and offsets in parent portion
 - Income protection allowance = \$9,410
 - Additional allowance if parents' adjusted available income is negative
 - Then assessed at 50%
- No asset protection allowance, total value assessed at 20%



NOTE ABOUT ASSETS

- Students and Contributors exempt from reporting assets if they meet one of the following:
 1. The applicant qualifies for maximum Pell
 2. The applicant's parents' 2022 combined AGI is < \$60,000 and they do not file a schedule A, B, D, E, F or H, **AND**
 - They do not file a schedule C, **or**
 - They file a schedule C with net business income of not more than a \$10,000 loss or gain
 3. The applicant or applicant's parent received a benefit under a means-tested Federal benefit program during the 2022 or 2023 calendar year
 - Federal housing assistance, free or reduced price school lunch, Medicaid, SNAP, SSI, TANF, WIC, etc.

FEDERAL AID PROGRAMS

- Pell Grants
 - 2024-25 amounts not yet published. 2023-24 awards range from \$767 to \$7,395
 - Three ways Pell Grant eligibility is determined
 1. Maximum Pell Grant
 2. SAI Calculated Pell Grant
 3. Minimum Pell Grant

FEDERAL AID PROGRAMS – PELL GRANTS

- Maximum Pell Grants (Dependent Students)
 - Student's parent(s) is not required to file a federal tax return; or
 - Student's parent is single and has an AGI greater than \$0 and less than or equal to 225% of poverty guideline; or
 - Student's parent is not single and has AGI greater than \$0 and less than or equal to 175% of poverty guideline

Family Size	2022 Poverty Guideline	Single Parent 225%	Not Single Parent 175%
2	\$18,310.00	\$41,197.50	\$32,042.50
3	\$23,030.00	\$51,817.50	\$40,302.50
4	\$27,750.00	\$62,437.50	\$48,562.50
5	\$32,470.00	\$73,057.50	\$56,822.50
6	\$37,190.00	\$83,677.50	\$65,082.50

FEDERAL AID PROGRAMS – PELL GRANTS

- SAI Calculated Pell Grant(Dependent Students)
 - If SAI is less than maximum Pell award for year, formula to calculate Pell is:
 - Maximum Pell minus SAI = Pell Award

For illustrative purpose only: Max Pell \$7,800 and Min Pell \$780			
Example	Max Pell	SAI	Pell Award
Student A	\$7,800	\$300	\$7,500
Student B	\$7,800	\$1250	\$6,550
Student C	\$7,800	\$7000	\$800
Student D	\$7,800	\$7600	\$0*

FEDERAL AID PROGRAMS – PELL GRANTS

- Minimum Pell Grant (Dependent Student)
 - The student's parent is a single parent and has an AGI less than or equal to 325% of the poverty guideline
 - The student's parent is not a single parent and has an AGI less than or equal to 275% of the poverty guideline

Family Size	2022 Poverty Guideline	Single Parent 325%	Not Single Parent 275%
2	\$18,310.00	\$59,507.50	\$50,352.50
3	\$23,030.00	\$74,847.50	\$63,332.50
4	\$27,750.00	\$90,187.50	\$76,312.50
5	\$32,470.00	\$105,527.50	\$89,292.50
6	\$37,190.00	\$120,867.50	\$102,272.50

FEDERAL AID PROGRAMS

- Supplemental Educational Opportunity Grant (SEOG) – typically have to be Pell eligible & award amounts vary at each school (campus based program)
- Loans
 - Direct Subsidized Loan – interest does not accrue while in-school and in-grace
 - Direct Unsubsidized Loan – responsible for interest over life of loan
 - Direct Parent PLUS – credit based loan in parent's name
- Employment
 - Federal Work Study (campus based program)

MORE ABOUT LOANS...

- Federal Direct Subsidized and Unsubsidized
 - \$5,500 annual max for freshman (\$3,500 sub / \$2,000 unsub)
 - \$6,500 annual max for sophomores (\$4,500 sub / \$2,000 unsub)
 - \$7,500 annual max for juniors & seniors (\$5,500 sub / \$2,000 unsub)
 - \$20,500 annual max for graduate students (unsub only)
- 2023-2024 interest rates 5.50% fixed UG, 7.05% fixed for GRAD
- 6 month grace period before repayment
- Flexible repayment terms & sometimes options for forgiveness

More info at www.studentaid.gov

MORE ABOUT LOANS...

- Parent Loan for Undergraduate Students (PLUS)
 - Annual amount up to full Cost of Attendance less other financial aid
 - 2023-2024 interest rate 8.05% fixed with origination fee of 4.228%
 - Based on parent's creditworthiness – **not guaranteed for all students!**
 - Typically repay while student is enrolled, but there is an option to defer
 - If parent is denied, student can access additional Unsubsidized loan (\$4,000 U1 & U2/\$5,000 U3 & U4)

MORE ABOUT LOANS...

- Private Education Loans
 - Credit based loans with student as the borrower
 - Likely will need credit worthy co-signer
 - Interest rates and loan terms vary by lender
 - Fixed vs. variable rates
 - Repayment while in school vs. interest only payments vs. deferment until graduation

INSTITUTIONAL AID

- *He who gives out the money makes the rules*
 - Need-based, merit-based, skill-based, etc.
- **Know the terms of the award!**
 - 1 year recruitment vs. renewable
 - GPA requirements
 - Program requirements (i.e. ineligible if change in major?)

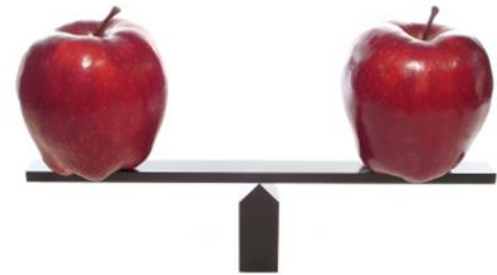
EMPLOYMENT OPPORTUNITIES

- Federal Work Study
 - Included as part of financial aid offer
 - Need-based employment
 - Paid for hours worked
 - Wages come from FWS award
- Student Employment
 - Open to all students



COMPARE AID OFFERS

- Need to look at the total cost
 - Consider transportation, books, and other misc. expenses
- Evaluate the awards that make up the award package
 - Amount of gift aid
 - Amount of self-help (loans and employment)
 - Terms and conditions of institutional aid
 - Campus based awards – FWS, SEOG
- Compare the annual net cost
- Utilize federal loan calculators to understand what loan repayment will look like after graduation (available on studentaid.gov)



RESOURCES

<https://tinyurl.com/mr43em2b>

- This presentation
- FSA ID Guide
- Financial Aid Steps & Resources
- More info on Dream Act Application (also in Spanish)
- TAP and NYS Aid Fact Sheet



HOPEFULLY HOW YOU FEEL NOW...



QUESTIONS

You are welcome to email your questions to Renee Nunziato at nunziar@sunysuffolk.edu

