

Financial Aid 101

What is it?

Financial aid is the funds provided to students and families to help pay for postsecondary educational expenses.

What is FAFSA

- Free Application for Federal Student Aid
- A standard form that collects demographic and financial information about the student and family.
- May be filed **electronically** or using paper form.
- FAFSA website (www.fafsa.ed.gov)

More FAFSA

- Information used to calculate the expected family contribution. (EFC)
- Colleges use the EFC to award financial aid.
- May be filed at any time during the academic year but no earlier than Jan. 1st.
- Colleges may set FAFSA deadlines.

What is Cost of Attendance (COA)?

- Direct costs: (tuition & fees, room & board, books)
- Indirect costs: (living expenses, transportation costs, personal expenses)
- Direct Cost + Indirect Cost = COA
- Vary widely from college to college.

What is the Expected Family Contribution (EFC)?

- Amount family can reasonably be expected to contribute.
- Remains the same regardless of college.
- Two components (parent contribution + student contribution)
- Calculated using FAFSA data and a federal formula

What is Financial Need?

Cost of Attendance

--- Expected Family Contribution

Financial Need

Categories of Financial Aid

- Need Based
- Non Need Based

Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment (Fed Work Study Programs)

Scholarships

- Money that does not have to be paid back
- Awarded on the basis of merit, skill or a unique characteristic

Grants

- Money that does not have to be paid back.
- Usually awarded on the basis of financial need.

Loans

- Money borrowed by parents & students to help pay educational expenses.
- Repayment usually begins after education is finished.
- Only borrow what is really needed.
- Look at loans as an investment in the future.

Employment

- Allows student to earn money to help pay educational costs.
- Can be non-monetary compensation such as room and board.

Types of Financial Aid

1. Scholarships
 - a. Federal Government
 - b. State Government
 - c. Local Civic Organizations
 - d. National Organizations
 - e. Competitive (essay, speech, etc...)
 - f. Athletic
 - g. Church
 - *Denomination Specific
 - *Academic

Federal Government

- Largest source of financial aid
- Aid is based primarily on financial need.
- Must apply every year using the FAFSA

Common Federal Aid Programs

- Pell Grant (maximum of \$4310 per term)-
2007 statistics (Need based)
- Perkins Loan (facilitated by college-no
outside lending institution-Need based)
- Stafford Loans (non-need based)
- PLUS Loans (non-need based)

State Financial Aid Programs

- Residency requirements
- Award aid on basis of both merit and need.
- States use information from FAFSA
- Deadlines vary from state to state. Check FAFSA website or Virginia Dept. of Education website.
- May limit private school students.

Private Sources

- Foundations, businesses, charitable organizations.
- Deadlines and application procedures vary widely.
- **IMPORTANT**-Begin researching private aid sources early.

Civic Organizations & Churches

- Research what is available in the community.
- To what organizations and churches does the family belong?
- Application process is usually spring of senior year.
- Remember!!!! **SMALL SCHOLARSHIPS ADD UP**

Employers

- Companies may have scholarships available to the children of employees or may have educational benefits for their employees.
- New GI Bill-If you have served on active duty for 3 years since 9/11 and have not used your GI Bill benefits, your child may be eligible to use your GI Bill benefits.

- CSS/Financial Aid Profile
 1. Financial aid form produced by the College Board.
 2. Available online at the College Board website.
 3. Required for students seeking aid at approx. 10% of the nation's 4 year colleges, including some of the most highly selective institutions.