



UNDERSTANDING Financial Aid

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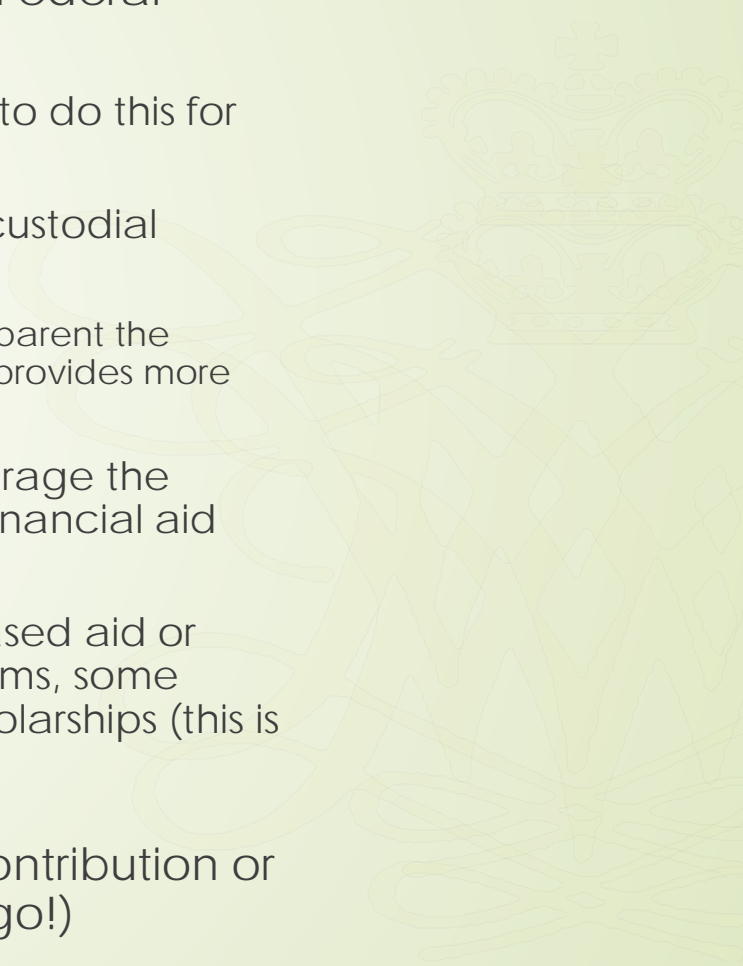
Assistant Director

Office of student financial Aid

The College of William & Mary




Step 1 of Financial Aid

- ▶ Your student must file a Free Application for Federal Student Aid or FAFSA.
 - ▶ The FAFSA is **Free**, please don't pay someone to do this for you.
 - ▶ Signed by both the student and at least one custodial parent.
 - ▶ The custodial parent is typically considered the parent the student lives with (if 50/50, then the parent that provides more than 50.1% of financial support to the student)
 - ▶ The FAFSA is the student's – we strongly encourage the student to be involved and understand their financial aid process.
 - ▶ Even if you think you don't qualify for need based aid or don't want access to the Federal loan programs, some schools will want you to file it for review of scholarships (this is not true at William & Mary)
 - ▶ The FAFSA generates an Expected Family Contribution or EFC. (Hooray, your first bit of financial aid lingo!)
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Expected Family Contribution (EFC)

The EFC is considered what parents should be able to pay towards their students college education based on the information used to file the FAFSA.

- ▶ The FAFSA uses prior prior year, so what if my situation has changed (job loss, pay reduction, medical, etc.)?
 - ▶ EVERY school your student applies to should have a process for consideration of Special Circumstances – check in with them.
 - ▶ What is considered in the EFC calculation.
 - ▶ The formula is congressionally mandated and publically available if you really wanted to play with it.
 - ▶ Things the formula considers: Parent AGI, age, income, some income protection allowances, assets, number in household, number in college, etc. (among other things)
 - ▶ Things the formula does not consider: debt, cost of living, cost of private high schools or other colleges, business or farm income if the business has less than 100 employees. (among other things)
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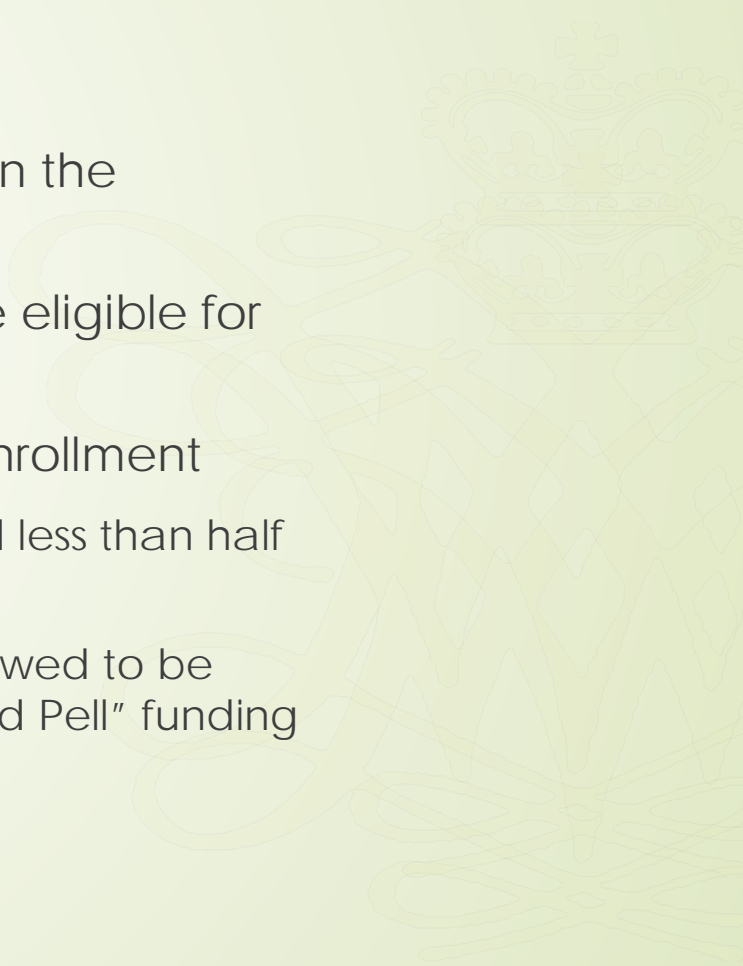


Cost of Attendance

- ▶ CoA is used to determine financial need
 - ▶ CoA minus Expected Family Contribution gives total financial need
 - ▶ CoA is typically higher than the Admission reported cost as they do not include indirect cost to the student. When comparing cost at schools always check the CoAs
 - ▶ Made up of direct-billed costs and indirect costs
 - ▶ Tuition & fees
 - ▶ Room & meals (board)
 - ▶ Books & supplies
 - ▶ Personal expenses
 - ▶ Transportation
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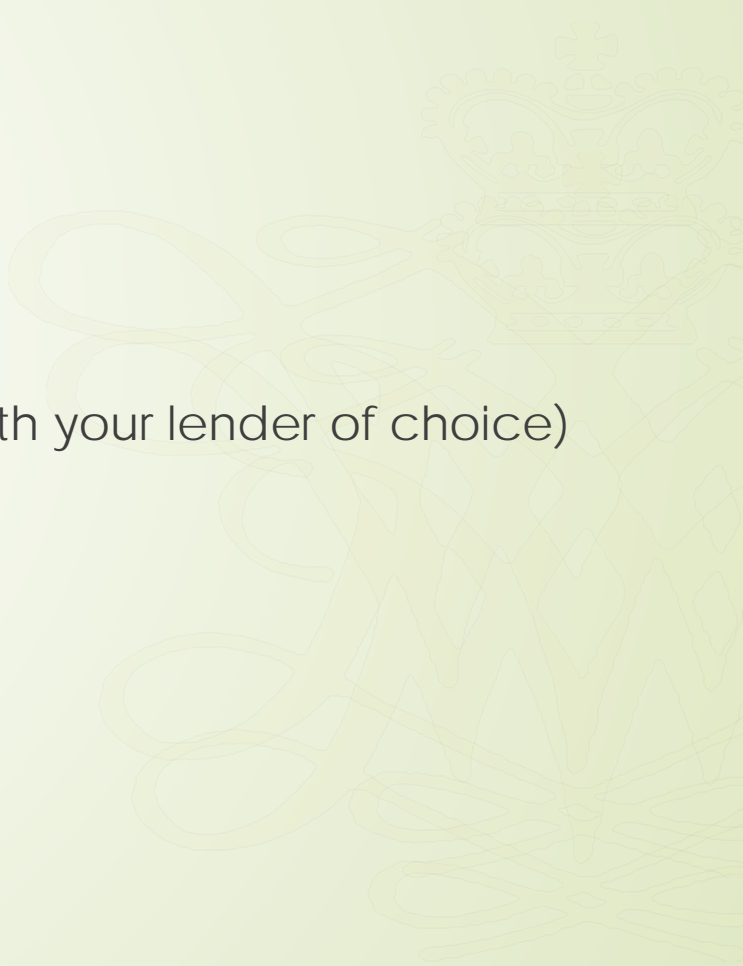


Pell Grant

- Need based Federal Grant Program
 - Pell is awarded on a sliding scale based on the Expected Family Contribution.
 - The EFC must range from \$0 – \$6,195 to be eligible for Pell grant (based on the 19/20 Pell Grant).
 - Pell can be prorated based on hours of enrollment
 - Full time, three-quarters time, half time, and less than half time.
 - In the 17/18 school year, Pell grant was allowed to be utilized for summer. This is called “year round Pell” funding for this will vary from year to year
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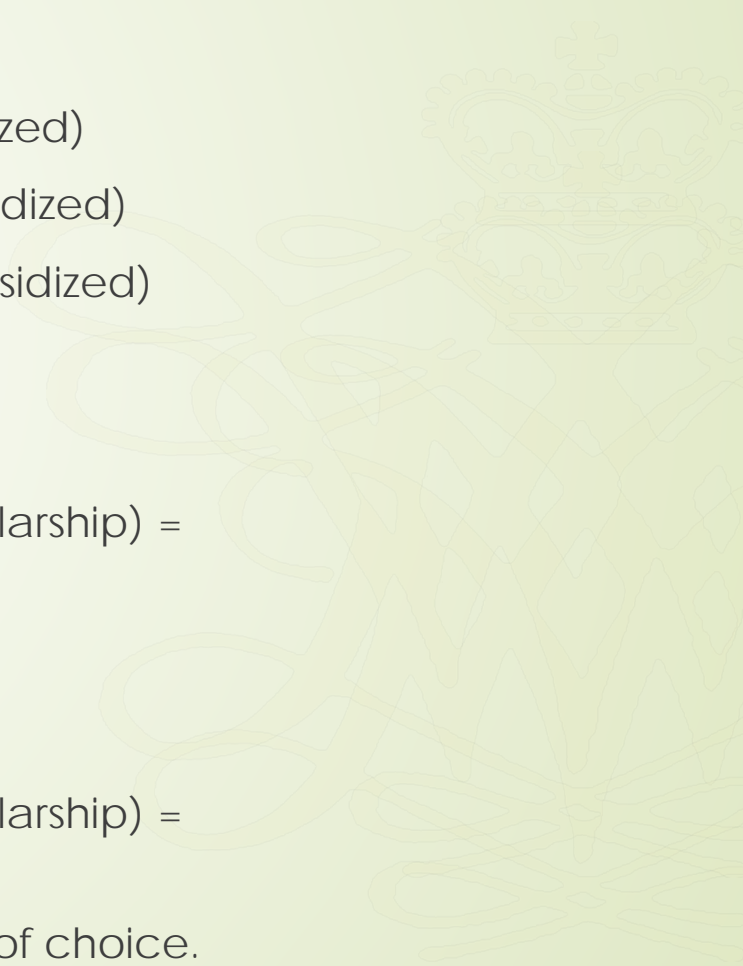


Loan programs

- ▶ Federal Direct Subsidized Student Loan*
 - ▶ Federal Direct Unsubsidized Student Loan*
 - ▶ Federal Direct PLUS (Parent) Loan*
 - ▶ Private Student Loan (your choice of lender)
 - ▶ Private Parent Loan (new to the market, check with your lender of choice)
- ▶ * Requires FAFSA for eligibility
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Loan Limits

- ▶ **Direct Subsidized/Unsubsidized**
 - ▶ Freshman - \$5500 (only \$3500 can be subsidized)
 - ▶ Sophomore - \$6500 (only \$4500 can be subsidized)
 - ▶ Junior/Senior - \$7500 (only \$5500 can be subsidized)
 - ▶ No credit merit or cosigner required.
 - ▶ **Parent PLUS loan**
 - ▶ CoA - Financial aid (grants/loans/work/scholarship) = maximum PLUS eligibility
 - ▶ Credit based loan
 - ▶ **Private loans (Parent or Student)**
 - ▶ CoA - Financial aid (grants/loans/work/scholarship) = maximum private eligibility
 - ▶ Credit based loan – check with your lender of choice.
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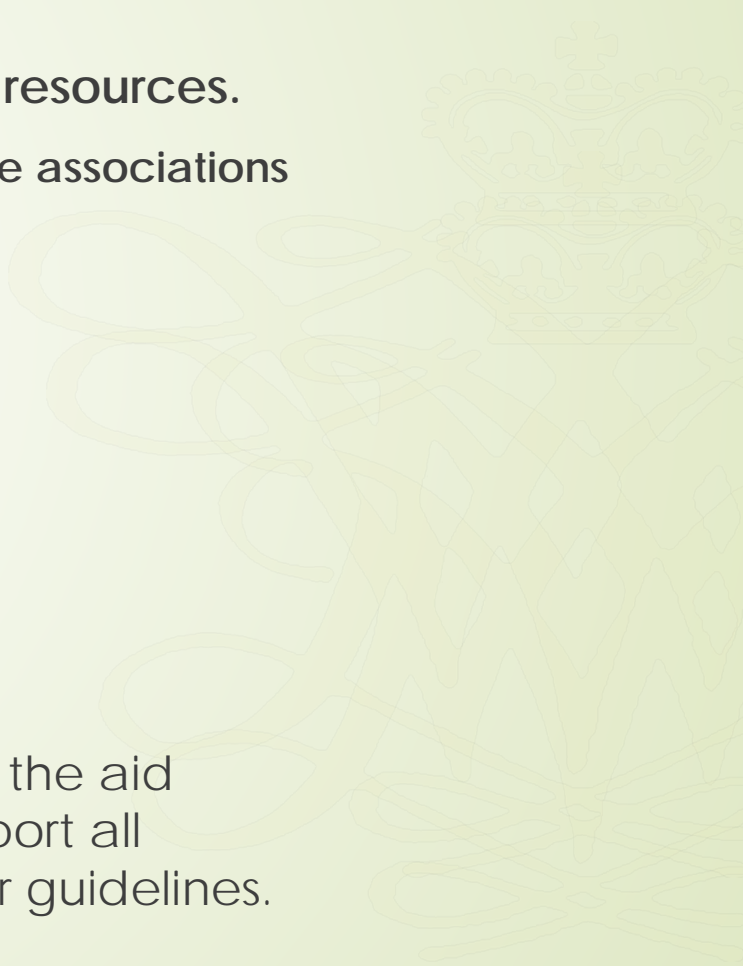
2018 Federal Student Loan Interest Rates

	Type of Loan	Interest Rate July 1 2019 - June 30 2020	Origination Fee	Result if borrow \$1000	Behavior	Repayment
Undergraduate	Direct Subsidized	Fixed 4.529 %	1.069%	\$989	Interest does not accrue until student falls below half time hours or graduate	6 months after graduation or enrollment drops below half time
	Direct Unsubsidized	Fixed 4.529 %	1.069%	\$989	Interest begins to accrue at first date of disbursement	6 months after graduation or enrollment drops below half time
Parent	Direct Parent PLUS	Fixed 7.079 %	4.248%	\$957	Interest begins to accrue at first date of disbursement	60 days after the loan is fully disbursed (depends on your choice of aid period)



Outside scholarships


(Scholarships not awarded by the school)

- Check with your guidance office for local resources.
 - Also any clubs, organizations, or work place associations should not be over looked.
 - Some Resources to get you started:
 - www.fastweb.com
 - www.scholarships.com
 - www.finaid.org
 - www.studentscholarships.org
 - **Required** by federal law to be included in the aid package as a resource – make sure to report all awards to your College/University per their guidelines.
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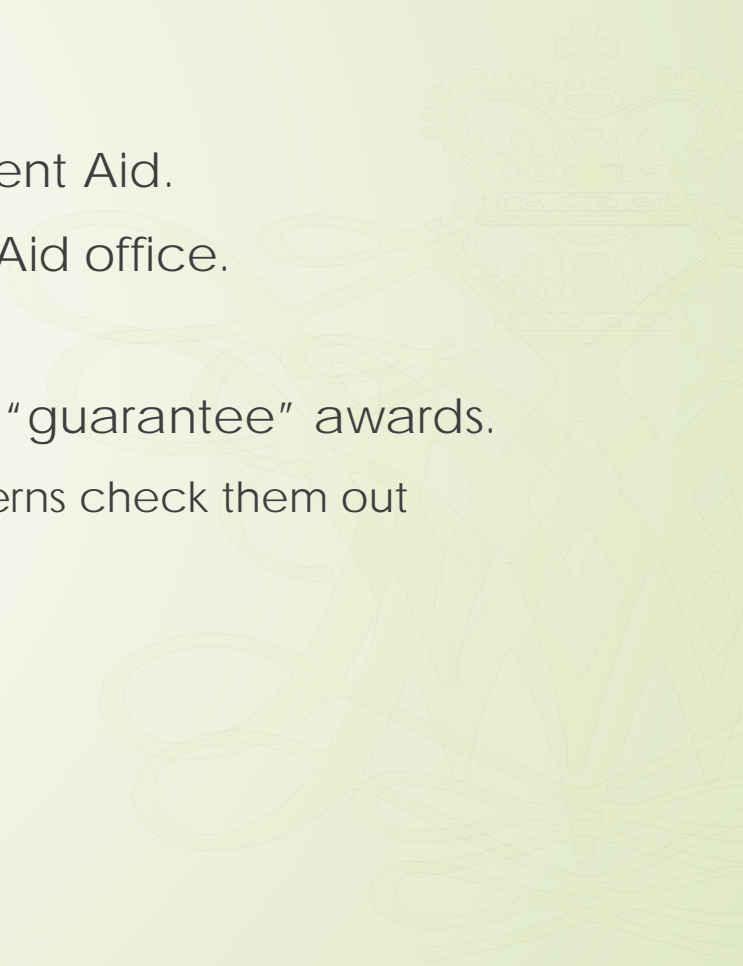


Applying for future aid

- ▶ Students are required to **reapply** for aid each year
 - ▶ www.fafsa.gov
 - ▶ With the new Prior Prior year, you will be able to use the 2018 tax information to apply for aid in 2020/2021
 - ▶ The FAFSA will be available October 1st to file for the next aid year.
 - ▶ Some schools may require an additional application (CSS Profile) or even an institutional application for aid.
 - ▶ Check with each school your student is interested in and keep up with priority dates (filing, accepting, etc.)
- ▶ Students may be chosen for verification
 - ▶ Return requested documents ASAP
 - ▶ Late filers/responders might not receive grant funds



If you remember nothing else from our chat:

- ▶ Please don't pay money to get money.
 - ▶ The FAFSA is the FREE Application for Federal Student Aid.
 - ▶ If you have questions, check in with the Financial Aid office.
 - ▶ Be nice, this job can be tough 😊
 - ▶ Scholarship Companies should not charge you to "guarantee" awards.
 - ▶ If it feels dodgy, chances are it is. If you have concerns check them out
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Questions?

- ▶ Office of Student Financial Aid
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