



AGENDA

- Free Application for Federal Student Aid (FAFSA)
- Federal Verification
- Financial Aid Award Letters
- Understanding the award
- Review



FAFSA

- To determine if a family is eligible for aid, they must complete the Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov
 - ▷ Families can apply starting October 1, 2020 for the 2021-2022 academic year
- Once the FAFSA is completed, the U.S. Department of Education will send the student a Student Aid Report (SAR)
- The SAR summarizes the data from the FAFSA and indicates the Expected Family Contribution (EFC)
- FAFSA will process the information and send it to the schools listed. **FAFSA does not award financial aid.**



VERIFICATION

Selection

- Roughly 1/3 of FAFSAs get selected for verification by the U.S. Department of Education
- If selected, commonly requested documentation includes:
 - ▷ Verification Worksheet (these can look different across varying colleges and universities)
 - ▷ Tax Return Transcript* for parents/student if they filed taxes or a signed copy of the income tax return
 - ▷ W-2(s) for parents/students if they worked but didn't file taxes
 - ▷ Verification of Non-Filing Letter for parents and independent students who did not file taxes – this is NOT needed for depended students

**If IRS DRT was used, Tax Return Transcripts may not be required*



FINANCIAL AID AWARD LETTERS

- After being accepted to college and completing the FAFSA, students will receive a letter that outlines how much the school will cost and the financial aid they will receive
- This will often include federal, state, and school sources of financial aid
- While there's no standard format for an award letter, they typically contain the same overall information:
 - ▷ An estimate of how much a student's year in college will cost
 - ▷ The financial aid that has been awarded for the academic year
 - ▷ Remaining balance (gap) that may be covered through other sources, if any



FINANCIAL AID AWARD LETTERS

Why are award letters so confusing?

- Delivery methods vary among colleges and universities – paper version, email version, online portal version, etc.
- Formatting variations
 - Schools rarely use the same template/layout
- Language variations
 - Sub Loan, Direct Sub Loan; Federal Direct Subsidized Loan: what's the difference?



FINANCIAL AID AWARD LETTERS

- Are the awards automatic, or require additional action? If so, what action is needed?
 - ▷ How clear are the parameters on the letter?
 - ▷ Does the school provide information on the letter? Supplemental document with guidance? Call to action/next steps?

- How does the school deal with Federal Work Study, Parent PLUS Loan, Private Education Loans, and/or Income Share Agreements?

- Are there charges on the letter?
 - ▷ If so, are they estimated or actual?
 - ▷ Do they include only direct charges, or direct and indirect charges?

Two award letters, two different types of institutions, two different layouts

The Student Financial Aid Office is pleased to provide your financial aid offer for the 2019-2020 academic year. Need-based awards are determined using your expected family contribution (EFC) from your Free Application for Federal Student Aid (FAFSA). All awarded aid is subject to eligibility requirements and based upon continued funding from federal, state, and institutional resources.

More information about your award offer is available at <https://financialaid.uc.edu/2020awards>.

Financial Aid Award	Fall 2019	Spring 2020	Total
Cincinnati Century Scholar	\$1,000.00	\$1,000.00	\$2,000.00
Federal Pell Grant	\$3,097.50	\$3,097.50	\$6,195.00
Federal Suppl Ed Opportunity Grant	\$600.00	\$600.00	\$1,200.00
Ohio College Opportunity Grant	\$750.00	\$750.00	\$1,500.00
Available Federal Work-Study Earnings	\$1,500.00	\$1,500.00	\$3,000.00
Federal Subsidized Loan	\$1,750.00	\$1,750.00	\$3,500.00
Federal Unsubsidized Loan	\$1,000.00	\$1,000.00	\$2,000.00
Total	\$9,697.50	\$9,697.50	\$19,395.00

- Federal Work-Study is earned based on wage and hours worked (<https://financialaid.uc.edu/workstudy>).

Estimated Cost of Attendance	Fall 2019	Spring 2020	Total
Tuition and Fees	\$5,830.00	\$5,830.00	\$11,660.00
Program Fee	\$215.00	\$215.00	\$430.00
Room and Board	\$5,834.00	\$5,834.00	\$11,668.00
Books	\$600.00	\$600.00	\$1,200.00
Transportation	\$249.00	\$249.00	\$498.00
Personal Expenses	\$1,469.00	\$1,469.00	\$2,938.00
Total	\$14,197.00	\$14,197.00	\$28,394.00

- Additional information at <https://financialaid.uc.edu/costa>.

Estimated Remaining Costs	\$4,499.50	\$4,499.50	\$8,999.00
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- This amount is intended to help you with financial planning and is not your bill. More information at <https://financialaid.uc.edu/remainincosta>.

This financial aid package is for 2019-2020. We believe in your talents and abilities and, because of that, all of your institutional grants and scholarships (ex. Dean's Scholarship, Institutional Grant, etc.) are extended to you for up to four (4) years of undergraduate study.

Total Grants and Scholarships <i>(Gift aid that does not need paid back)</i> :	\$ 28,695		
	Fall 2019	Spring 2020	Total
Dean's Scholarship	\$ 7,000	\$ 7,000	\$ 14,000
Institutional Grant	\$ 1,500	\$ 1,500	\$ 3,000
Federal Pell Grant	\$ 3,098	\$ 3,097	\$ 6,195
Federal Supplemental Educational Opportunity Grant	\$ 500	\$ 500	\$ 1,000
Ohio College Opportunity Grant	\$ 1,750	\$ 1,750	\$ 3,500
Kiwanis Scholarship	\$ 250	\$ 250	\$ 500
St. Charles High School Alumni Endowed Scholarship	\$ 250	\$ 250	\$ 500

Total Federal Student Loan Options <i>(Aid that needs to be paid back)</i> :	\$ 5,500		
	Fall 2019	Spring 2020	Total
Federal Direct Subsidized Student Loan	\$ 1,750	\$ 1,750	\$ 3,500
Federal Direct Unsubsidized Student Loan	\$ 1,000	\$ 1,000	\$ 2,000

Total Work and Credit-Based Loan Options <i>(Aid that needs additional action)</i> :	\$ 8,885		
	Fall 2019	Spring 2020	Total
Federal Work Study	\$ 1,500	\$ 1,500	\$ 3,000
*Optional Parent PLUS or Private Education Loan	\$ 2,943	\$ 2,942	\$ 5,885

*You or your parents may be eligible for one or both of these loans, both of which require a credit check. Additional information about obtaining a Federal Parent PLUS or Private Education Loan can be found at our website.

What will I pay for this year without loans?	\$ 11,385
Estimated tuition and fees:	\$ 30,080
Estimated housing and meal plan:	+ \$ 10,000
Total estimated billed charges**	\$ 40,080
Total Grants and Scholarships	- \$ 28,695
Estimated balance due before federal student loans:	\$ 11,385
Federal Direct Student Loans	- \$ 5,500
Estimated balace due after federal student loans**	\$ 5,885

**Please note that there are real costs (example: books) not reflected in this amount because they are not billed directly. We recommend allocating an additional \$2,000 to \$3,000 a year for books and miscellaneous expenses.



GIFT AID (SCHOLARSHIPS & GRANTS)

- Gift aid (scholarships and grants) are exactly that: they're a **GIFT!**
 - ▶ Free money that does not need to be repaid
 - ▶ May be renewable or non-renewable
- Scholarships
 - ▶ Tend to be based on academic merit or special talent (performance, athletic)
 - ▶ Primary Source is the School or institution itself
 - ▶ Secondary sources are 3rd party such as state or local organizations
 - ▶ Scholarships rarely come from the federal government



GIFT AID (SCHOLARSHIPS & GRANTS)

■ Grants

- ▶ Often based on financial need and can come from the institution, state, or federal government

- ▶ Federal Grants
 - Federal Pell Grant (Pell)
 - Federal Supplemental Educational Opportunity Grant (SEOG or FSEOG)

- ▶ State Grants
 - Ohio College Opportunity Grant (OCOG)
 - Pennsylvania Higher Education Assistance Agency (PHEAA) Grant



GIFT AID (SCHOLARSHIPS & GRANTS)

Common gift award names and iterations

- Federal Pell Grant

- ▶ Pell, Pell Grant

- Federal Supplemental Educational Opportunity Grant

- ▶ Supplemental Educational Opportunity Grant, SEOG, FSEOG

- Federal TEACH Grant

- ▶ TEACH, TEACH Grant

- Ohio College Opportunity Grant

- ▶ OCOG

- Pennsylvania Higher Education Assistance Agency Grant

- ▶ PHEAA, PHEAA Grant

- ***Helpful hint!***

- ▶ If the award description says *scholarship* or *grant*, it's free money!



FEDERAL WORK STUDY

Work Study

- The Federal Work Study Program provides students who need additional financial aid with part-time jobs to earn money to help pay for college expenses.
- Most of the jobs the program offers are paid on an hourly basis and are usually on campus.
- To qualify for Federal Work Study assistance students must file the FAFSA.
- ***Important note: Work Study funds are handled differently at each school.***



CAMPUS BASED PROGRAMS

- Can vary significantly in amount between colleges & universities.
- “Priority Deadlines” can impact eligibility between schools.
- For most schools, FWS earnings are given in paycheck form and not applied directly to the student’s bill.

Federal
Supplemental
Education
Opportunity
Grant
(SEOG)

Federal
Work-Study



FEDERAL STUDENT LOANS

- Federal student loans are provided by the government and must be paid back with interest.
- They have a fee that is deducted from the total loan proceeds before they are applied to the student's college or university account.
- Students must complete the FAFSA to be eligible for federal student loans.
- Repayment starts 6 months after graduation or if enrolled less than 6 hours.
- Common Federal Student Loan names and iterations:
 - ▷ Federal Direct Subsidized Stafford Loan
 - ▷ Federal Direct Unsubsidized Stafford Loan



DIRECT LOANS FOR UNDERGRADUATES

Direct Subsidized and Unsubsidized Loans are two separate, unique types of loans that are awarded separately.

Subsidized Undergraduate	Unsubsidized Undergraduate
Need based	Not based on financial need
Interest is fixed at 4.53% for new undergraduate loans disbursed during 2019-20*; interest is subsidized while the student is in school and during deferment.	Interest is fixed at 4.53% for all new loans disbursed during 2019-20*; interest accrues from time of disbursement of the funds.

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DIRECT LOAN AMOUNTS

Class Year	Maximum Subsidized Amount	Additional Unsubsidized Amount	Total Available to Borrow
Freshman	\$3,500	\$2,000	\$5,500
Sophomore	\$4,500	\$2,000	\$6,500
Junior	\$5,500	\$2,000	\$7,500
Senior	\$5,500	\$2,000	\$7,500

For Undergraduates, Independent Students and Dependent Students whose parents have been denied the PLUS Loan are eligible for additional Direct Unsubsidized Loans (\$4,000 as Freshmen and Sophomores and \$5,000 as Juniors and Seniors)



CREDIT BASED LOAN OPTIONS

Credit-based Loan Options

■ Parent PLUS Loan

- ▶ Federal Loan program where the loan is in the parent's name, parent is solely responsible for the loan
- ▶ Fixed interest rate, various repayment terms

■ Private Education Loan

- ▶ Education loan through a private lender (Sallie Mae, PNC, Citizens, etc.)
- ▶ Student is the primary borrower; co-signer may be required
- ▶ Fixed or variable interest rate and repayment terms; both will vary based on lender



PRIVATE STUDENT LOAN

■ Private loan for students

- ▷ Loan is in the students name
- ▷ Loan limits are up to the cost of education less any financial aid received
- ▷ Must exhaust all federal and state aid before applying
- ▷ Based on credit history. Student borrowers often require a cosigner
- ▷ Loans have variable or fixed interest rates
- ▷ Repayment begins 6 months after graduation or less than ½ time enrollment



PARENT PLUS LOAN

■ Parent PLUS

- ▷ Loan to parents of dependent students
- ▷ Loan limits are up to the cost of education less any financial aid received
- ▷ Interest rate is 7.08% fixed for 2019-20
- ▷ Repayment begins within 60 days of full disbursement; payments may be deferred while the student is in school
- ▷ FAFSA completion is required



OVERALL

- ▷ Compare all aid awards
- ▷ Visit college campuses
- ▷ Work together as a family

“A good education is one of the greatest gifts you can give to yourself or anyone else”.



QUESTIONS?

