

**North Carolina Association of Student Financial Aid Administrators
&
North Carolina State Education Assistance Authority Presents...**

Financial Aid for College 2014-15

Topics We will Discuss

- What is financial aid?
- Cost of Attendance (COA)
- Expected Family Contribution (EFC)
- Financial Need
- Categories, types, and sources of financial aid
- Free Application for Federal Student Aid (FAFSA)

What is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary (college) educational expenses

What is Cost of Attendance (COA)?

Cost of Attendance sets a limit on the total amount of financial aid a student can receive. It is considered the cornerstone of establishing a student's need-based financial aid eligibility.

Components:

- Direct costs “Direct Educational Expenses”
- Indirect costs “Indirect Educational Expenses”
 - Direct and indirect costs combined make up the Cost of Attendance

Note: COA varies widely from college to college

Direct Educational Expenses

Direct Cost

Components:

- Tuition
- Required fees
- Room
- Board (Meals)
- Books and Supplies

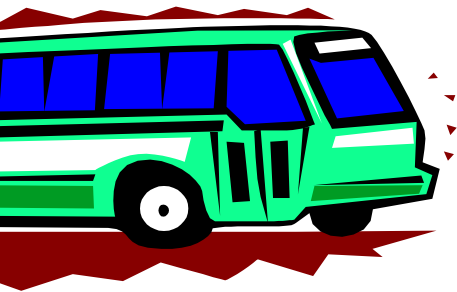


Indirect Educational Expenses

Indirect Cost

Components:

- Transportation
 - Does not include the lease/purchase of a vehicle
- Miscellaneous personal expenses, including documented costs for a personal computer
- Loan fees



What is Expected Family Contribution (EFC)?

- Calculated by U.S. Dept. of Education using data from Free Application for Federal Student Aid (FAFSA)
- Amount family can reasonably be expected to contribute toward educational expenses for academic year

Components:

Parent Contribution & Student Contribution

Note: EFC stays the same regardless of selected college(s)

EFC Determination Formula

Parents' contribution

+ Student's contribution

= Expected Family Contribution

Resource to review: FAFSA Forecaster www.fafsa.gov

Need-Based Aid Principles

- Family is responsible for costs to the extent of its ability to pay college costs
- Aims to provide college access and choice
- Aid eligibility is based on a “snapshot” of the family situation at a particular point and time, not a video.....

Basic Formula for Financial Aid Need


Cost of Attendance (COA) (varies)

- Expected Family Contribution (EFC)

= Eligibility for Need-Based Funds



Types of Financial Aid

- 
- Grants
 - Scholarships
 - Loans
 - Employment



Categories of Financial Aid



- Non-need based (Merit)
 - academics
 - talent
 - athletic
 - others
- Need-based
 - financial considerations

Gift Aid: Grants

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

Gift Aid: Scholarships

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

Self-Help Aid: Loans

- Money students and parents borrow to help pay college expenses
- Repayment usually begins after education is finished
- View loans as an investment in the future

Note: Only borrow what is needed for educational expenses

Self-Help Aid: Employment (Work-Study)

- Allows student to earn money to help pay educational costs
 - A paycheck; or
 - Nonmonetary compensation, such as reduced/free room and board

Sources of Financial Aid

- Federal Government
- State Programs
- Institutional funds
- Outside agencies



Federal Student Aid Programs

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work-Study (FWS)
- Federal Direct Loans (Subsidized, Unsubsidized & Plus)
- Federal Perkins Loan
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Iraq and Afghanistan Service Grant (IASG)

Visit www.studentaid.gov for additional information

Details about Federal Loans

Interest Rates: (2013-14 AY)

- Federal Direct Subsidized and Unsubsidized Stafford Loans
 - 3.86% (undergraduate)
 - 5.41% (graduate)
- Federal Direct PLUS Loan – 6.41%
 - Legal parents of dependent students
 - Graduate/professional students
- Federal Perkins Loan—5%



Note: Rates for 2014-15 AY will be released by US DOE July 2014

North Carolina Aid Programs (partial listing)

- NC Community College Grant
- UNC Need-Based Grant
- NC Education Lottery Scholarship
- NC Need-Based Scholarship
- Forgivable Education Loans for Service (NC FELS)

Visit www.CFNC.org for additional information

NC Reach Program

- Funding for former foster youth who:
 - Age(d) out of NC public foster care at age 18
 - Were adopted from foster care after age 12
- Eligibility requirements
 - Age 18 – 25 and meet above criteria
 - NC Community College or one of UNC System's 16 campuses
 - Enroll on half-time basis or more
 - Seek undergraduate degree, certificate or diploma
- Program is designed to be combined with other aid and cover the full cost of attendance

Visit www.ncreach.org for additional information and to apply

Institutional and Outside Aid

Institutional Aid

Grants & Scholarships

Loan Programs

Student Employment



Outside Agencies*

Local organizations

Churches

Civic Groups

Parents' employers

Veterans Administration

*Deadlines and application procedures vary widely

*Begin researching early

Alternatives

- College payment plans
- Outside scholarships
- Private alternative loans for students or parents
 - Last resort--**Always apply for federal (Stafford, Plus and Perkins) loans first!**

Free Application for Federal Student Aid (FAFSA)

- A standard form that collects demographic and financial information about the student and family
- Must be completed annually prior to the academic year financial aid is desired
- May be filed electronically or using paper form
 - Available in English or Spanish
- Information is used to calculate the Expected Family Contribution (EFC)
- Colleges use EFC to award financial aid that has need-based eligibility requirements
- Contact college(s) of interest to determine FAFSA filing deadlines

FAFSA (continued)

- For the 2014-2015 academic year; can be filed beginning January 1, 2014
 - Electronically at www.fafsa.gov
 - Can obtain paper form: 800-4-FED-AID (1-800-433-3243)
- Results generally available online in 48 hours and to the institutions you list on the FAFSA

Note:

Student and parent whose information is reported on the FAFSA must obtain a Personal Identification Number (PIN) to sign electronic application.

What is a Personal Identification Number (PIN)?

- A PIN is issued to an individual and is a “signature” for Federal Student Aid purposes
- Parent’s PIN may be used for multiple children
- Each student must have own PIN
- PIN will expire if not used for 18 consecutive months

PIN can be obtained at www.pin.ed.gov

IRS Data Retrieval Tool (DRT)

- DRT is available within the FAFSA on the Web (FOTW)
- Available early February 2014 for 2014-2015 FOTW
 - Within several days for electronic tax filers
 - Within several weeks for paper tax filers
- Available to those who have filed 2013 federal taxes and now are:
 - Completing the FAFSA
 - Correcting their FAFSA (updating with IRS data)
- DRT not available when:
 - Married filing separately tax filing status is used
 - Head of Household tax filing status is used
 - Marital status changed after 12/31/13
 - Amended or foreign tax returns filed

DRT (continued)

- To use the Tool, must have:
 - A valid Social Security Number
 - Filed a 2013 federal tax return
 - The exact street address and filing status used on the tax return
- Filtering question on FAFSA helps determine if you can use DRT
- IRS Data Retrieval Process meets verification requirements
 - Secure and FAST option
- Students (and parents) not using the “Tool” and selected for verification:
 - In most cases, must submit an IRS Tax Return Transcript rather than a Tax Return


FAFSA on the Web's Homepage

Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND™ | **FAFSA**
Free Application for Federal Student Aid

Home | About Us | PIN Site | StudentAid.gov | Help | SEARCH | English | Español

Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)



New to the FAFSA?

Start A New FAFSA

Returning User?

- Make a correction
- Add a school
- View your Student Aid Report, or SAR, and more...

Login

Deadlines

Information about your deadlines.

School Code Search

Find your college's school code. Also find detailed information about your college.


FAFSA Filing Options

Learn about the other options for filing your FAFSA.

Announcements

- NEW! Learn about [recent changes to the federal student aid programs](#).
- NEW! The 2012-2013 [IRS Data Retrieval Tool](#) is now available.

Thinking About College?



Use **FAFSA4caster** to see how federal student aid can help you pay for college!

YouTube

Watch videos to see how federal student aid can help you pay for college!

Site Last Updated: Sunday, April 15, 2012

Due to scheduled site maintenance, FAFSA on the Web will be unavailable every Sunday from 5 a.m. to 11 a.m. (Eastern Time). We apologize for any inconvenience this may cause.

FOIA | Privacy | Security | Notices | WhiteHouse.gov | USA.gov | ED.gov

Before Beginning a FAFSA

- Gather the documents you need
 - Student/Parent(s) 2013 W2s & 2013 Federal Income Tax Return and other financial related documents
 - Driver License(s) and Social Security Cards
 - Student/Parent US Dept. of Education PIN
- Print and complete a FAFSA on the Web Worksheet
- Apply for a PIN now! (www.pin.ed.gov)

Remember

The 2014-2015 FAFSA will become available on January 1, 2014.

FAFSA on the Web Worksheet

- **Complete the Worksheet to help you complete the FAFSA on the Web**
 - Questions on the Worksheet are ordered the same as they are online
 - Questions on the paper FAFSA are ordered differently than they are online

The FAFSA Worksheet is available as a PDF at www.fafsa.gov

Message for Applicants Who Indicate They “Will File” Their Taxes

Student Financial Information



You indicated you “Will file” a 2012 tax return.

If your 2012 income is similar to your 2011 income, use your 2011 tax return to provide estimates for questions about your income. If your income is not similar, click **Income Estimator** for assistance estimating your adjusted gross income, and answer the remaining questions about your income to the best of your ability.

You should return to update the estimates you provided with your 2012 tax return information once you file. At that time, you may be eligible to use the [IRS Data Retrieval Tool](#) to transfer your tax return information into the FAFSA.

IRS Data Retrieval Tool Filtering Question

Student Tax Information

For 2012, have you completed your IRS income tax return or another tax return?

Already completed ▼



You may be able to use the [IRS Data Retrieval Tool](#) to view and transfer your tax information from the IRS.

Did you file an amended tax return?

Yes No

Did you file a Puerto Rican or foreign tax return?

Yes No

Did you file your taxes electronically in the last 3 weeks (or by mail in the last 8 weeks)?

Yes No

Based on your response, we recommend that you transfer your information from the IRS into this FAFSA.

Enter your PIN and click **Link To IRS**.

What is your PIN?

[I Forgot/Don't Know My PIN](#)

LINK TO IRS

Signing the FAFSA

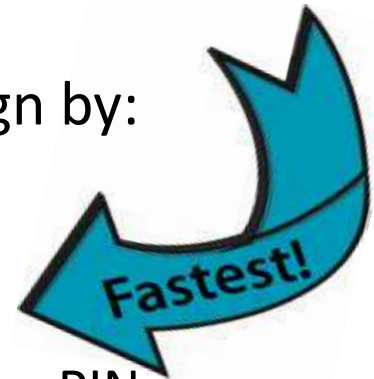
- After completing the FAFSA, student and parent (if dependent for financial aid purposes) must sign by:

- Entering PIN

- Both student and one parent should each have PINs

OR

- Print signature page, sign and mail to address provided within 7 days



Sign the Application and Submit by clicking “Submit My FAFSA Now”

The Sign & Submit page includes the signature process for the student

Sign & Submit

Application was successfully saved.

[VIEW OR PRINT YOUR FAFSA INFORMATION](#)

Are you a [preparer?](#)
 Yes No

Student Signature

Student's Social Security Number

Student's last name

Student's date of birth

What is your (the student's) PIN?
[I Forgot/Don't Know My PIN](#)

[Other options to sign and submit](#)

Help and Hints

Are you a preparer?

A preparer is anyone who charges a fee for helping you fill out your FAFSA.

Typically high school counselors, school financial aid administrators, or other mentors do not charge a fee to help you complete your application, so they are not considered preparers unless you paid them for their services.

If you are a preparer, select **Yes**.

Confirmation Page

Confirmation Number: F 03400113605 10/14/2012 00:39:13

Data Release Number (DRN): 9383

Congratulations, misty! Your FAFSA was successfully submitted to Federal Student Aid. You should print this page for your records.

- Next steps

What Happens Next

- You will be notified when your FAFSA is processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

- EFC estimate

- Pell Grant & Direct Loan estimates

Eligibility Information

Estimated Expected Family Contribution (EFC) = 00000

The EFC is an index that schools use to determine your eligibility and is not the amount of money that you have to pay. Your school's financial aid office will use your EFC to determine the specific types and amounts of student aid you are eligible to receive.

Based on the [eligibility criteria](#), you may be eligible for the following:

Pell Grant Estimate - \$5,550.00

Direct Stafford Loan Estimate - \$12,500.00

You may also be eligible to receive other federal, state, or institutional grants, scholarships, and/or work-study.

In addition, you should learn about [federal tax benefits for education](#), including the *American Opportunity Tax Credit (AOTC)*.

What happens after I file the FAFSA?

1. Complete verification if required
2. Respond to any questions from the campus aid office
3. Receive financial aid notification
4. Reply to offers of aid (and admission)
5. Complete all steps necessary to secure offered aid you intend to accept
6. Notify campus of outside scholarships

Miscellaneous Information You Should Know

Dependency

- Students are considered independent for financial aid purposes if:
 - 24 years old or older
 - Orphan, foster child/ward of the State
 - Have children for whom they provide more than 50% support
 - Have a legal guardian
 - Married
 - Veteran or on active military duty
 - Graduate students
 - Legally emancipated
 - Homeless or at risk of homelessness

Students not meeting one of the above must include parental information for full aid consideration.

Who Are Considered Parents on the FAFSA?

- Parents living and married to each other
- Parent widowed or single
- Parents divorced or separated—answer questions for parent with whom student lived more during past 12 months
 - If student lived with each parent exactly the same amount of time, answer for the parent who provided more financial support during the past 12 months or during the most recent year that the student actually received support from a parent
- If parent remarried, answer about that parent and the person whom parent married (stepparent)

Who Are Considered Parents on the FAFSA? (continued)

- Beginning with the 2014-2015 AY, dependent students will be required to provide income information from the student's legal parents (biological or adoptive) regardless of marital status, if those parents live together
 - Philosophy- the family should help pay the educational expenses of their student
 - Help to ensure limited taxpayer resources are directed to students with the most need, regardless of the parents' marital status, when those parents are living together

Who Are Not Considered Parents on the FAFSA?

- Foster parents
- Legal guardians who have not adopted the student
- Relatives, such as grandparents, who have not adopted the student
- Stepparents who have not adopted the student and the natural parent in the household is deceased. Must use remaining biological/adoptive parent, if any.

Dependent Student Special Circumstance

If parents refuse to complete FAFSA:

Parent section is not optional if the student wants to be considered for total aid eligibility!

- Contact financial aid administrator
- Student *may* be allowed to submit the FAFSA without parental information
- Student will only be eligible for an UNSUBSIDIZED Loan.

FAFSA Verification

- Additional documentation may be required... for VERIFICATION of information:
 - Adjusted Gross Income (AGI)
 - U.S. income tax paid
 - Untaxed Income – only if reportable on the FAFSA
 - Untaxed IRA distributions
 - Untaxed pensions
 - Education credits
 - IRA deductions
 - Tax exempt interest

FAFSA Verification (continued)

- Additional documentation may be required... for VERIFICATION of information – (continued)
 - Supplemental Nutrition Assistance Program (SNAP – Food Stamps)
 - Child Support Paid

Special Circumstances

- Family situations that cannot be documented on FAFSA, such as:
 - Change in employment status
 - Death in the family
 - Change in parents' marital status
 - Medical expenses not covered by insurance
 - Student cannot obtain parent information

Make the financial aid office at your selected college(s) aware of any special circumstances. Be prepared to provide documentation related to the situation, including the financial impact of the change.

Potential Institutional Adjustments to EFC for Institutional Funds

- Minimum contribution from students to their educational costs (summer earnings)
- Use home equity in determination of net assets
- Make adjustments for medical/dental expenses
- Make adjustments in the losses/depreciation claimed for business/farm operations

Applying for Financial Aid

- Other forms
 - Institutional application
 - College Scholarship Service PROFILE
 - State applications
 - Outside scholarship applications



BEWARE!

Offers to help get financial aid are everywhere:

- In the mail
- Over the Internet
- In newspapers
- In magazines
- Over the phone



“Help” offers that should be avoided

- Organizations that offer to locate more aid and then charge you a fee
- Anyone who charges you a **fee**:
 - for information about financial aid
 - to complete the FAFSA
 - to apply/receive a scholarship
- Organizations that **guarantee** you will get a scholarship or aid

For free information about financial aid

- Contact College Foundation of North Carolina at **CFNC.org** or toll free at **1-866-866-CFNC**
 - Service of the State of North Carolina
- Contact a college financial aid administrator
- Ask your high school counselor
- Visit the local library
- Apply for financial aid at www.fafsa.gov (notice it is **not** FAFSA.com)

Additional information

- Federal Department of Education
 - <http://studentaid.gov/>
- *Student Financial Aid for North Carolinians*
 - www.cfnc.org/fabook
- The SmartStudent Guide to Financial Aid
 - www.finaid.org

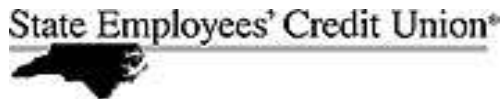
Need Help?

FAFSA Day 2014

- **Saturday, February 22, 2014**
 - Any time between 9 a.m. and noon in most locations
- Get **FREE** help completing your FAFSA from college financial aid officers.
- Visit www.CFNC.org/fafsaday or call toll-free at 866-866-CFNC(2362) to:
 - Learn more
 - Find closest location
 - Register

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- College Foundation of North Carolina
- North Carolina Association of Student Financial Aid Administrators, and
- State Employees Credit Union



Questions?

