

# Paying for College

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University of Notre Dame

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HOMEWOOD-FLOSSMOOR HIGH SCHOOL

OCTOBER 2020

# Agenda

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Defining financial aid

Sources and types of aid programs

Applying for financial aid

Financial Aid in a COVID environment

Next steps

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# General Information



# Expectation of Students and Parents

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Apply for admission

Do not eliminate a school on the basis of cost before you explore your options

Complete the required financial aid forms

Know the deadlines and meet the deadlines

*Academic, Social and Financial Fit*

# Defining Need-based and Non-need Financial Aid

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Need-based aid is determined through application process & formula

Non-need based aid is usually offered for the following (often called merit aid):

- Academics or special talent
- Athletics
- Leadership, community service, achievements

# Defining Cost of Attendance (COA)

## Estimation of expected costs

### Direct Costs



Tuition and fees



Room and meals



Books

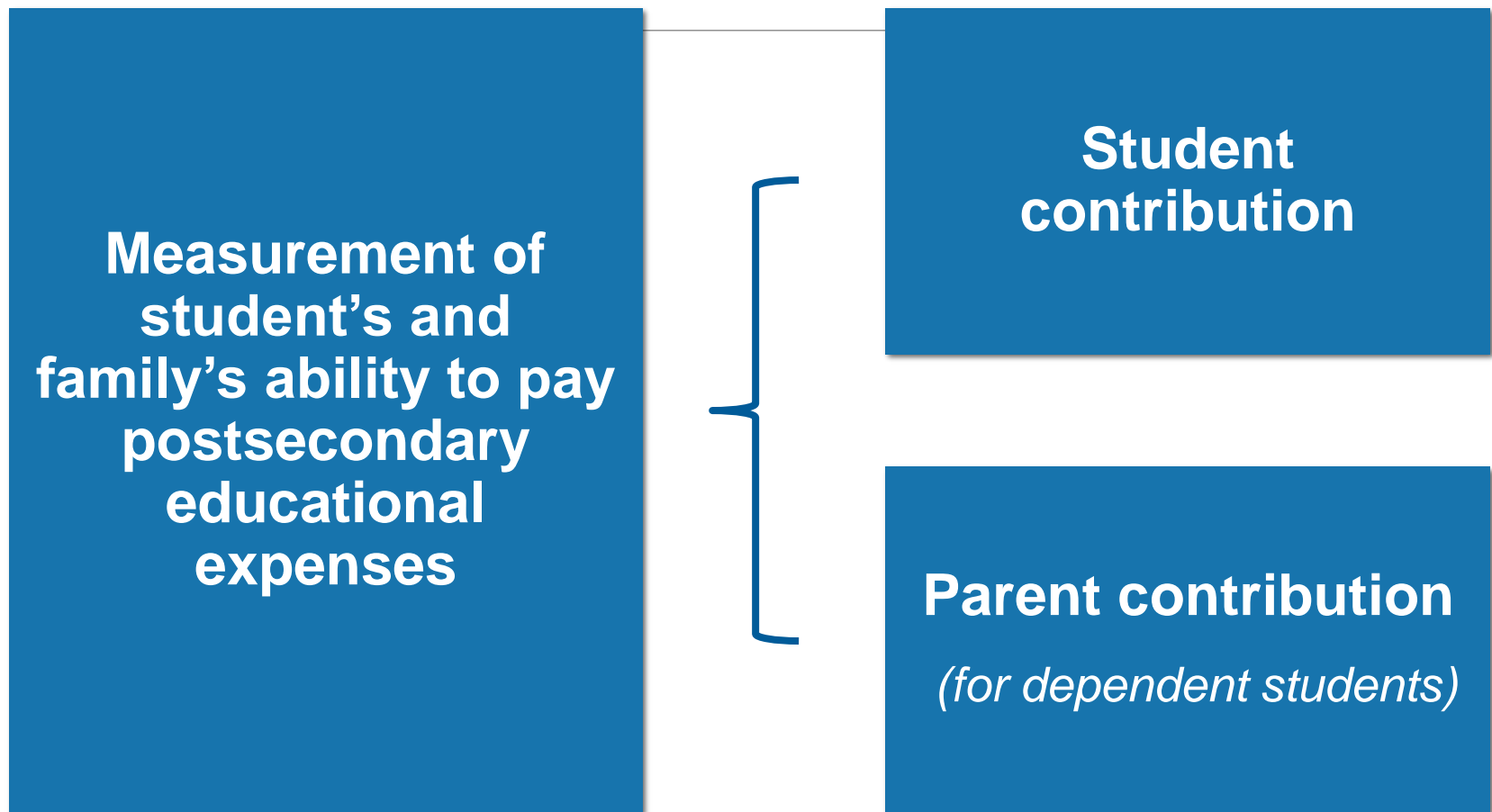


Transportation



Miscellaneous  
personal expenses

# Defining Expected Family Contribution (EFC)



# Determining Expected Family Contribution

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Federal Methodology (FM) is the formula created by Congress to determine the Expected Family Contribution (EFC)

This is not your bill

Free Application for Federal Student Aid (FAFSA)

- Completed online at [fafsa.gov](https://fafsa.gov)
- No application fee
- Used for all federal and state programs
- Used by colleges



# Determining Financial Need

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Institutional Methodology (IM) was created and is sustained by College Board members

- IM takes into consideration all family assets
- Provides option for sharing special circumstances
- CSS Profile Application
  - Completed online on <https://cssprofile.collegeboard.org/>
  - Application requires a processing fee (waivers available for those who qualify)
  - Used by approximately 400 colleges and scholarship programs

# Defining Financial Need

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**Cost of attendance (COA)**

**– Expected family contribution (EFC)**

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**= Financial need**

# Financial Need Varies Based on Cost

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## PUBLIC UNIVERSITY

Cost of Attendance	\$25,000
Family Contribution	- \$5,000
Financial Need	\$20,000

## PRIVATE UNIVERSITY

Cost of Attendance	\$65,000
Family Contribution	- \$5,000
Financial Need	\$60,000

# What it Means to Meet Financial Need

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## SCHOOL DOES NOT MEET NEED

Cost	\$25,000
Family Contribution	\$5,000
Financial Need	\$20,000
School Offers	\$10,000
Unmet Need	\$10,000
Family Contribution with unmet need	\$15,000

## SCHOOL MEETS NEED

Cost	\$65,000
Family Contribution	\$5,000
Financial Need	\$60,000
School Offers	\$60,000
Unmet Need	\$0
Family Contribution (no unmet need)	\$5,000

# Calculating Your Family Contribution



U.S. Department of Education

**Net Price Calculator Center**

***FAFSA4caster***

**I ILLINOIS**

Office of Student Financial Aid

## Net Price Calculator & Financial Aid Estimator

**MyinTuition**

Quick College Cost Estimator

# Sources and Types of Financial Aid

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# Types of Assistance

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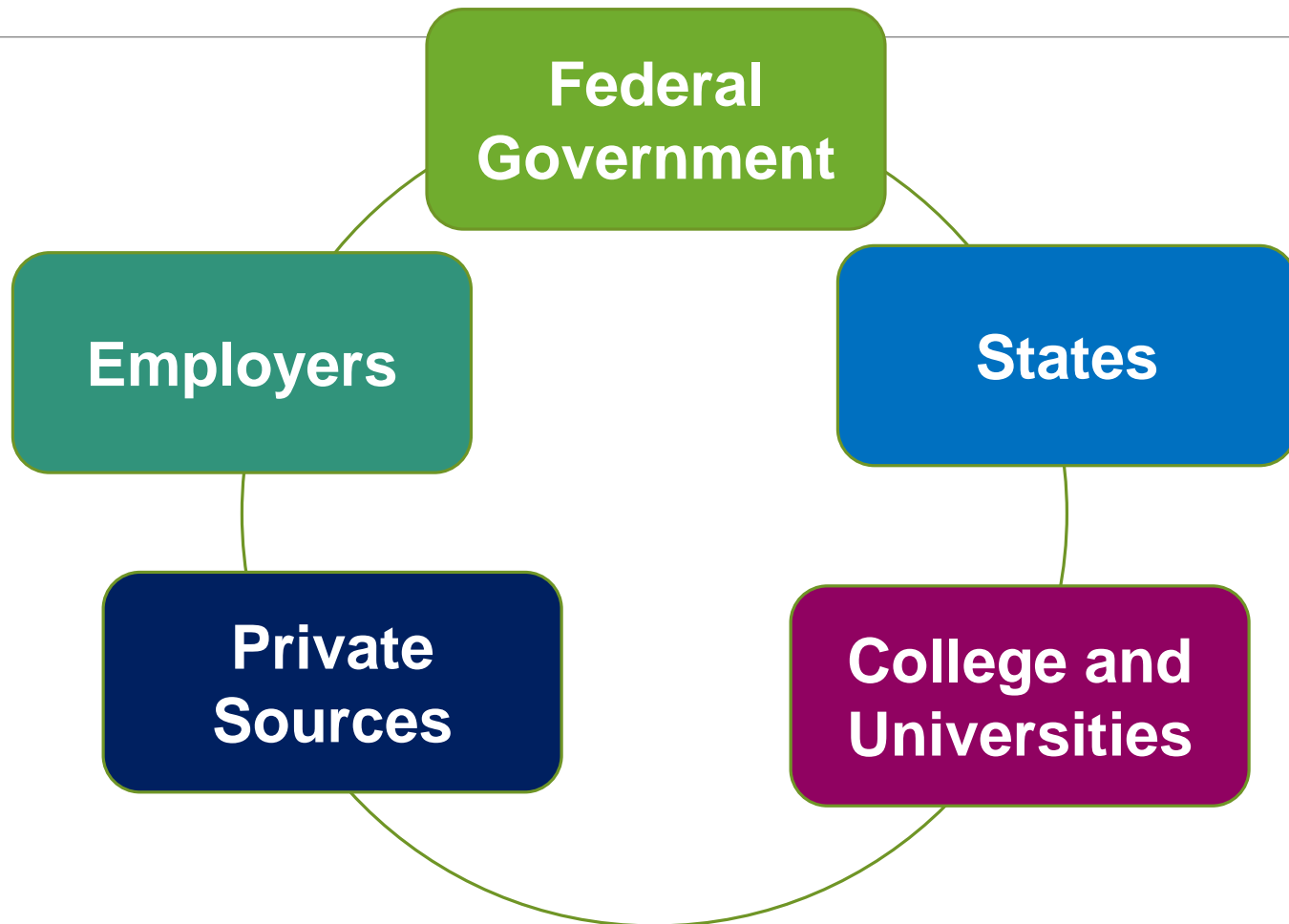
**Gift aid:** Scholarship and grant

**Self-help aid:** Loans and work



# Sources of Financial Aid

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# Federal Student Aid Programs

Federal Pell Grant

Iraq Afghanistan  
Service Grant

Federal  
Supplemental  
Educational  
Opportunity Grant  
(FSEOG)

Teacher Education  
Assistance for  
College and Higher  
Education (TEACH)  
Grant

Federal Work-Study  
(FWS)

Federal Direct  
Student Loans  
(Direct Loans)

Federal PLUS Loans

# State of Illinois Financial Aid

<https://www.isac.org/students/during-college/types-of-financial-aid/illinois-and-federal-financial-aid-programs.html>

**ISAC**  
Illinois Student Assistance Commission

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Before College - Planning During College - Paying After College Parents Español

Home > Students & Parents > During College - Paying > Types Of Financial Aid >

# Colleges and Universities

Award aid on the basis of both merit and need

Aid may be gift aid or self-help aid

Use information from the FAFSA, CSS Profile and/or institutional applications

Deadlines and application requirements vary by institution

# Private Sources

Foundations, businesses, churches, civic, and charitable organizations

Deadlines and applications procedures vary

Begin researching private sources early

# Websites of Interest

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[studentaid.gov](http://studentaid.gov)

[collegescorecard.ed.gov](http://collegescorecard.ed.gov)

[bigfuture.collegeboard.org](http://bigfuture.collegeboard.org)

[fastweb.com](http://fastweb.com)

[scholarships.com](http://scholarships.com)

[va.gov/education/about-gi-bill-benefits/post-9-11/](http://va.gov/education/about-gi-bill-benefits/post-9-11/)

# Financial Aid in a COVID Environment

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# Special Circumstances

Unusual uncovered  
medical/dental  
expenses

Secondary  
school tuition

Extraordinary  
dependent care

Student  
cannot obtain  
parental  
information

Parent or  
spouse  
death

Loss of  
employment

Divorce



# Change in Circumstances or Appeal

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- You must complete the FAFSA with your 2019 income
- If your 2020 income decreased you report that information directly to each school
- Check the website of each school for the specific process they use
  - There may be a form to explain / identify what changed
  - If 2020 income decreased, school likely needs a signed copy of parent 2020 Federal tax return (including schedules) and W-2 Wage Statements (if applicable)
  - If business losses may be ask to prove bank statements, quarterly tax filing
- The funding may be gift or loans or the response may be no change to offer



# Deferring Admission

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- Deferred admission is an opportunity for a student who has been admitted to delay or defer enrollment for a year or a semester
- It is the college's right to expect the student to account for the time spent between graduation from high school and matriculation at the college
- The student is expected not to attend another college in that time without permission from the school that deferred admission
- According to information reported by U.S. News and World Reports, 17% of freshmen deferred then enrollment until spring semester
- Financial aid will depend on length of deferral

# Cost of Attendance Adjustments

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- Schools may have a different cost of attendance for on-campus, commuter or off-campus students
  - The room and meals portion of the Cost of Attendance may vary
  - The transportation portion of the Cost of Attendance may vary
- Schools used different approaches when classes were suspended
  - Some reduced aid and amount of the charge
  - Some refunded a portion of the amount paid
  - School specific and also dependent upon guidance from the Department of Education
- Tuition
  - Most kept tuition at the same price – cost of testing & COVID safety, same faculty and fixed costs
  - Some reduce price (aid may also have been reduced)
  - Some are freezing tuition

# Higher Education Institutions Financial Challenges

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- Loss of revenue from different sources
- To offset price increases at public universities, they have:
  - Reduced faculty
  - Streamlined or decreased course options
  - Reduced on-campus services
- Some Schools have shifted from a student growth & development model to a business model to regain revenue
  - Review class sizes
  - Review faculty to student ratio
- Some predict:
  - Closure of regional schools (public and private)

# Applying for Financial Aid

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# Applications

## Free Application for Federal Student Aid (FAFSA)

- Available starting October 1, 2020 for 2021/2022 academic year
- Uses 2019 tax year information
- Uses assets as of time of application
- Uses household size & number in college for 2021/2022 academic year

## CSS Profile

- Available starting October 1, 2020 for 2021/2022
- Uses multiple years of information

# Financial Aid Notifications

Some colleges may provide financial aid decisions earlier, but not all schools will do so

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- Differing admission programs (e.g., rolling, single release)

Most colleges will not finalize tuition, fees and housing prices until spring 2019 and this information is needed to estimate cost of attendance and prepare financial aid decisions

Institutional and state deadlines for awarding aid will differ

Colleges may estimate state grant awards

# Overview of the FAFSA

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# Federal Student Aid (FSA) ID

Consists of a user-created username and password

FSA ID serves as your legal signature

Apply at <https://fsaid.ed.gov/npas/index.htm>

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### Create a New FSA ID

An FSA ID is a username and password that gives you access to Federal Student Aid's online systems and can serve as your legal signature.

Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member.

You are not allowed to have an employee or agent of a commercial entity, or other third party, create an FSA ID for you for any purposes including but not limited to: payment reductions, debt consolidation or applying for aid. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

*Important: When you are done, select the CANCEL button to clear your data even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.*

Create an FSA ID

Manage My FSA ID

Create your FSA ID username and password below.

Username

Password

Confirm Password

☒ Numbers

☒ Uppercase Letters

☒ Lowercase Letters

☒ 8-30 Characters

☐ Show Text

CONTINUE



# FAFSA on the Web (FOTW)

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Search FAFSA® Help

Prepare for College

Types of Aid

Who Gets Aid

FAFSA®: Apply for Aid

How to Repay Your Loans

## FAFSA®: Apply for Aid

Use the *Free Application for Federal Student Aid (FAFSA®)* form to apply for financial aid for college or grad school.

### NEW TO THE FAFSA® PROCESS?

Completing the FAFSA form is free. Fill it out now.

START HERE >

### RETURNING USER?

Correct info • Add a school  
View your *Student Aid Report (SAR)*

LOG IN >

### FAFSA® Announcements

- Customers who are using an Apple device (mobile and/or desktop) may encounter errors on some FAFSA fields if the “smart punctuation” feature is enabled. This feature changes apostrophes and quotation marks to invalid characters that the FAFSA form cannot recognize. [Learn about solutions for this error.](#)
- Check out the [myStudentAid app](#) for iOS and Android.
- To get the best experience, **make sure your browser's pop-up blocker allows pop-ups** from [fafsa.ed.gov](#) before logging in to the FAFSA form.

The FAFSA form will be unavailable due to scheduled maintenance every Sunday from 3–11 a.m. Eastern time.



### Early Aid Estimate

Use *FAFSA4caster* to get a free early estimate of your eligibility for federal student aid.

[LEARN ABOUT FAFSA4CASTER →](#)



### FAFSA® Help

Learn how to fill out the FAFSA form, and browse common FAFSA topics.

[GET FAFSA® HELP →](#)

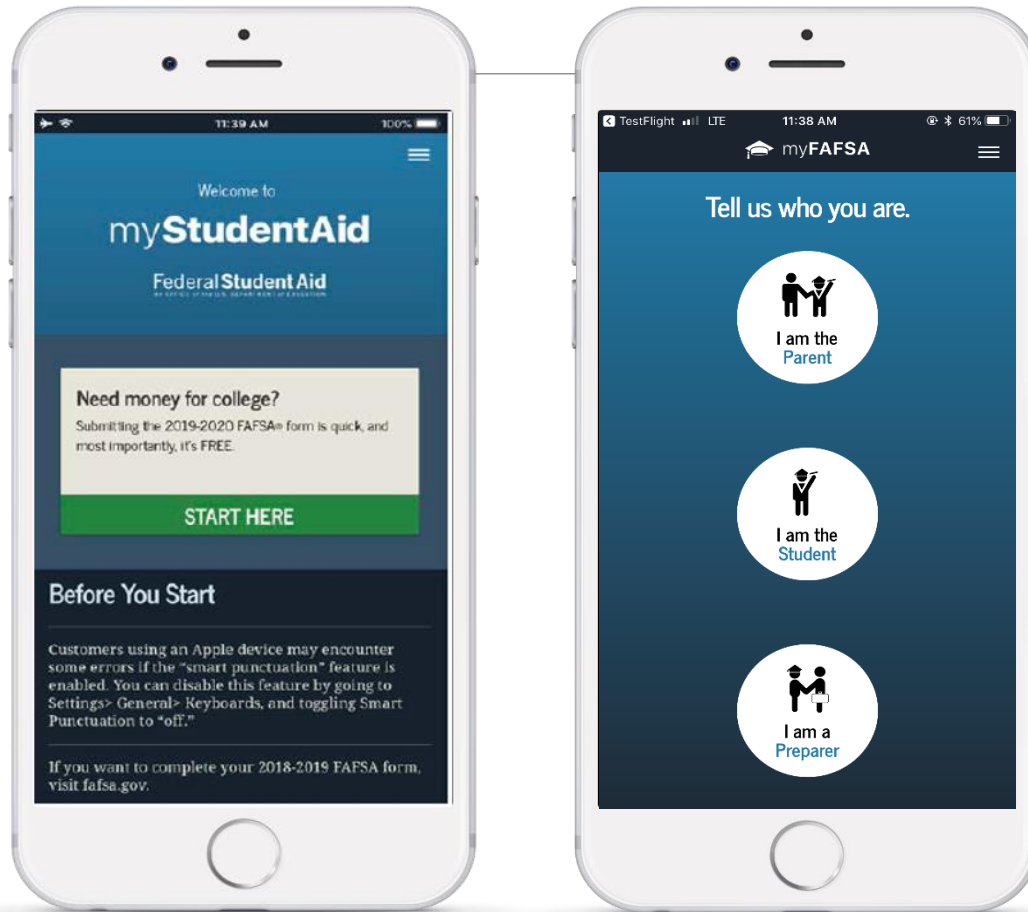


### After the FAFSA® Form

Find out what to expect after you fill out the FAFSA form, including when and how your aid will be paid out.

[LEARN ABOUT NEXT STEPS →](#)

# myStudentAid Mobile App



Mobile ability to begin,  
complete, save, and  
submit the FAFSA

# Student Dependency Status

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FAFSA asks questions to determine dependency status for Title IV federal student aid (not IRS) purposes:

If all “No” responses, student is dependent

If “Yes” to any question, student is independent

# Financial Information

Taxable income - Wages, investment income, business income

Untaxed income – Read the instructions

➤ Most common are 401k or 403b contributions, child support

Taxes paid (from tax return not from W-2 Statement)

Assets Include: Savings, real estate and investment equity,

Excluded Assets: Primary residence and retirement assets

# IRS Data Retrieval Tool

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Allows for certain tax return information to be transferred from the IRS database

Participation is voluntary and student chooses whether or not to transfer data to FOTW

IRS will authenticate taxpayer's identity

If tax record is found, IRS transfers information to populate the FAFSA

Reduces documents requested by financial aid office

# Signatures

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## Required

- Student
- One parent (dependent students)

## Format for submitting signatures

- Electronic using FSA ID
- Signature page
- Paper FAFSA

# Frequent FAFSA Errors


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- Not reading instructions
- Social Security Number (student)
- Divorced/widowed/remarried parental information
- Income earned by parent/stepparent not reported or combined
- Untaxed income
- U.S. income taxes paid
- Real estate and investment ***net worth***
- Household size and number in college


# Overview of the CSS Profile



# https://cssprofile.collegeboard.org/

 **CSS Profile**

Sign In  Search 

**CSS Profile**  Home Getting Started Fee Waivers Divorced or Separated Families More 



## Apply with CSS Profile

Each year CSS Profile gives access to more than \$9 billion for thousands of undergraduate, graduate and professional students.

Sign In to Fall 2021/Spring 2022

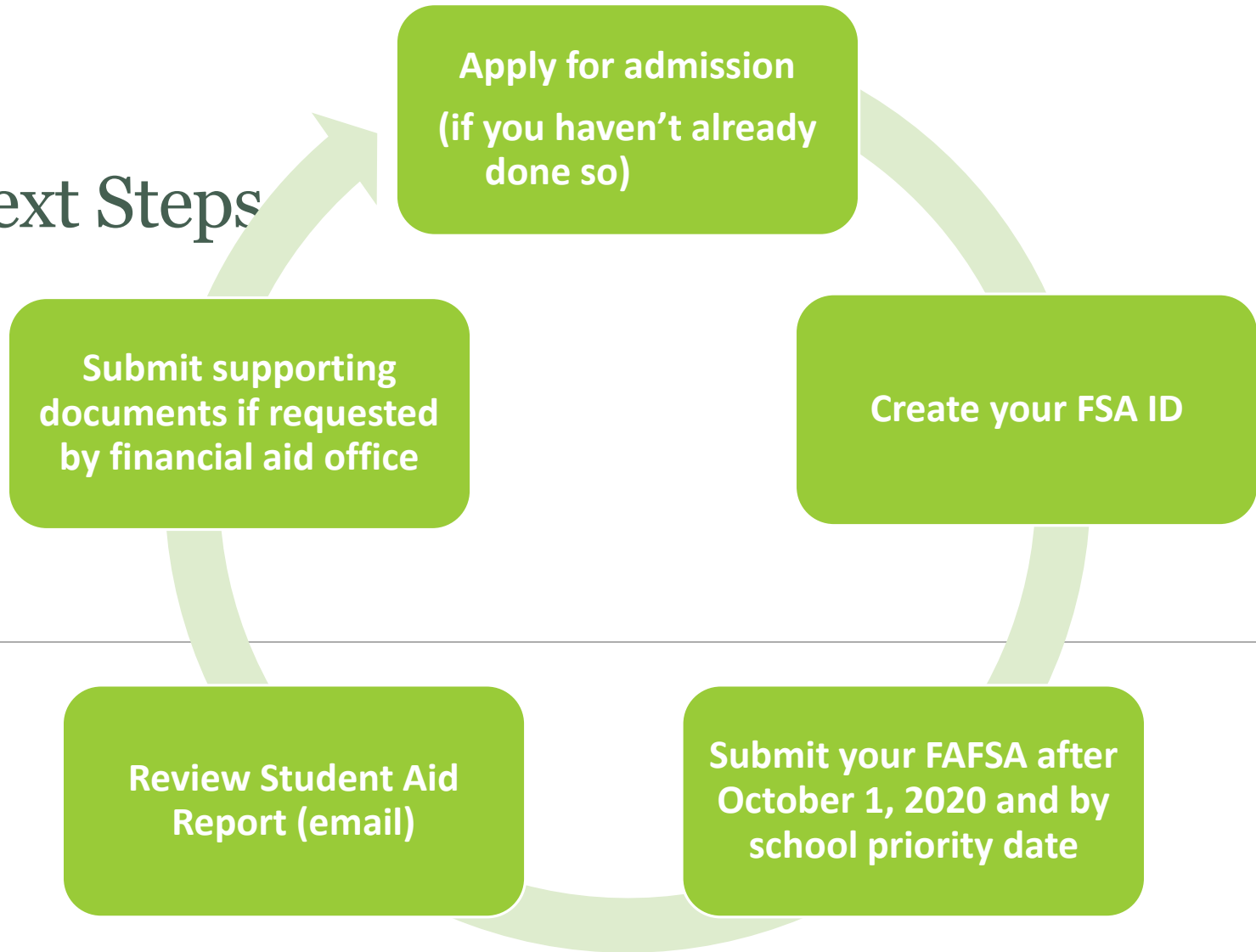
Sign In to Fall 2020/Spring 2021

# Why Schools Use the CSS Profile

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- More detailed information on who lives in the house, who will be in college and where they will attend
- Three years of income information (2019, 2020, 2021)
- Special circumstances (private tuition, medical, loss of income)
- Current assets include
  - Primary Residence
  - Other real estate (equity)
  - Other investments
  - Assets held in names of other children
  - Business or Farm
  - Retirement assets (not used to determine contribution)

## Next Steps



# Checklist

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- Read the information that comes with financial aid notification
- College Board [online award letter comparison tool](#) may be helpful
- If circumstances changes write or call the financial aid office to discuss their process
  - REMEMBER: Income data is two years old so if the aid offer changes be sure you understand the basis of the change and what will happen in the future
- Notify the financial aid office whether you accept their offer and will attend their school or decline the financial aid and let them know you do not plan to attend
- Report private scholarships received to the financial aid office

# Questions?

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