

Affording Higher Education

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Highlights

- Process of Financial Aid
- The Application
- Types of Financial Aid
- Frequently Asked Questions

Financial Aid Principles

- Financial Aid is designed to bridge the gap between what you can afford and what the school actually costs
- Governmental Convention: To the extent that they are able, parents have the primary responsibility to pay for their dependent child's education
- Students also have a responsibility to contribute toward their educational expenses

The FAFSA

- **Free Application for Federal Student Aid** (FAFSA)→ go to www.fafsa.gov to apply on-line
- FAFSA collects demographic and financial information about the student and his or her family and calculates an Expected Family Contribution (EFC)
- The EFC is a measure of your family's financial strength; it is used by a college to calculate the amount of federal student aid a student is eligible to receive

Preparing to Apply

- Use the FAFSA on the Web (FOTW) Worksheet before you begin the FAFSA
 - Allows you to gather all your information before filing your FAFSA
 - Questions follow the order of the FAFSA
 - <https://fafsa.ed.gov/help/ffdef44.htm>
- Apply for your own Personal Identification Number (PIN) at www.pin.ed.gov to electronically sign the FAFSA. Note – a new sign-on process will begin mid/late April 2015

Dates and Deadlines

- The 2014-15 FAFSA will be available and may be filed beginning January 1, 2015
- In order to be considered for Cal Grant, your GPA verification and FAFSA deadline is March 2, 2015
- Colleges may set FAFSA filing deadlines
- Ask all colleges you apply to if other forms or applications (e.g. CSS Profile) are required for financial aid

Reasons to Apply Online

- Built-in edits to prevent costly errors
- Skip logic allows student and/or parent to skip unnecessary questions
- More timely submission of original application and any necessary corrections
- More detailed instructions and “help” for common questions
- Ability to check application status on-line
- Simplified application process in the future

Changes on the 2015-16 FAFSA

- Parents marital status
 - Response option – unmarried and both (legal) parents living together
 - Same-sex couples must report their marital status as married if they were legally married in a state or other jurisdiction (foreign country) that permits same-sex marriage, and include income information for both spouses
 - FAFSA now asks for “parent 1/parent 2” instead of “father/mother”

IRS Data Retrieval Tool

- The IRS Data Retrieval Tool is an easier way to provide tax information
- With just a few simple steps, students & parents who have completed their 2014 federal tax return will be able to view & transfer their tax information into their FAFSA

IRS Data Retrieval Tool, cont'd.

- If the student/parent attempts to use the Data Retrieval Tool and is unable to because of an address discrepancy, the FAFSA will display a comment
- Edits to accept address abbreviations (Ave for avenue, etc.)
- If the student/parent is unable to use the Data Retrieval Tool, tax information can also be provided by submitting an IRS Tax Return Transcript. The Financial Aid Office will tell you if this is necessary

Helpful Hints

- If your taxes won't be completed until mid-April, do not wait to complete the FAFSA
- Apply now and use the "Will File" indicator. Refer to last year's final pay stub, W-2's, or your own estimates for all the financial questions on the FAFSA
- Once you've completed your taxes, be sure to update your FAFSA (this may cause changes to your EFC and/or your financial aid award)
- If your Financial Aid Office asks for additional information/documentation, please provide in a timely manner

Completing the FAFSA

- Students will receive a Student Aid Report (SAR) once the FAFSA is completed
- Data is sent to all schools listed on the FAFSA
- Student must enter a California school first on the FAFSA for data to be sent to the California Student Aid Commission (CSAC) to determine if student is eligible for a Cal Grant

Making Corrections

If necessary, corrections to FAFSA data may be made by:

- Using FAFSA on the Web (www.fafsa.gov);
- Updating paper SAR (SAR Information Acknowledgement cannot be used to make corrections); or
- Submitting documentation to the college's Financial Aid Office

CSS Profile

- Financial Aid application service of the College Board
- Available ONLY online: profileonline.collegeboard.com
- Becomes available in the fall
- The university will let you know if this is a required form
- Cost: \$25 for initial application & sent to 1 school
\$16 for each additional school

What does the CSS Profile Do?

- The Profile allows schools to understand further the financial situation of the applicant family:
 - Asks for home equity
 - Asks about non-custodial parents (in case of divorce)
 - Asks about rental property, business value/income
 - Gives room for medical, school, or other special circumstances expenses
- Some of the schools that use the CSS Profile are:
Duke, USC, Stanford, Scripps, Princeton, Amherst

Understanding College Costs

- College can be expensive, but it's worth it!
- Direct costs: Tuition, fees, etc.
- Indirect costs: Books, transportation, etc.
- Direct costs + Indirect costs = Cost of Attendance (COA)
- COA varies widely from college to college

Calculation of Financial Aid

$$\begin{aligned} & \text{Cost of Attendance} \\ & - \text{Estimated Family Contribution} \\ & = \text{Financial Need} \end{aligned}$$

- Because COA varies widely from college to college, Financial Need will also vary depending on the college

Sources of Financial Aid

- Federal government
 - Largest source of financial aid
 - Must complete the FAFSA every year
- States
 - Usually have residency requirements
- Colleges/Universities
 - Offer both merit and need-based aid
- Private sources
 - Small awards add up!

Grants

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Cal Grant
 - CA residency requirement, March 2nd Deadline
 - “A” is typically awarded at Universities
 - “B” is typically awarded at Community Colleges
 - “C” is for vocational programs
- Institutional Grants

Work Study

- Federal Work-Study
 - Need based
 - Self-help aid
 - Gives students the opportunity to work on-campus
 - Each college awards according to different criteria

Loans

- Federal Stafford Loans: 4.66%
 - Subsidized (Need based)
 - Unsubsidized (Non-need based)
- Federal Perkins Loan (Need based) 5.0%
- Federal Parent PLUS Loan: 7.21%
 - Credit Check Required (Non-need based)
- Alternative/Private Loan (Non-need based)
 - Variable or fixed interest rate based on credit

Scholarships

- Institutional Scholarships
 - Merit (GPA and test scores)
 - Skill/Unique characteristic/Major (Fine Arts)
 - Athletic
 - Other (e.g. CLU Guarantee)
- Outside Scholarships
 - Civic and Local organizations
 - Churches
 - Employers
 - Private sources: (i.e., fastweb.com)

Outside Scholarships: Apply Now

- CLU' s Outside Scholarship Page:
http://www.callutheran.edu/financial_aid/scholarships-assistance/outside-scholarships.php
- Fastweb.com
- Scholarships.com
- Collegeexpress.com
- Academicinvest.com
- College-scholarships.com
- Gocollege.com

Special Circumstances

- Cannot report on FAFSA
- Call the Financial Aid Office to determine institution's policy on applying for a "Special Circumstance" – many will require a written explanation and additional documentation
- Reasons for submitting a Special Circumstance appeal
 - Change in employment status/high medical expenses/death of a parent
 - Student cannot obtain parent information

Reapplying Each Year

- You must complete a new FAFSA each year you intend to receive financial aid
- Since each FAFSA is based on the prior year's tax information, your award can vary from year to year

Frequently Asked Questions...



FAQ's

Q: “How do I find other forms of aid?”

A: In addition to filing the FAFSA, ask your Admissions Counselor about CLU Scholarships, check out private scholarship searches (like fastweb.com), or talk to the high school guidance office

FAQ's

Q: “My employer won’t have my W2’s ready until late January or February. Should I wait to file the FAFSA?”

A: **No!** Apply with “will file” status

FAQ's

Q: “My parents are divorced. Whose tax information do I use?”

A: Your custodial parent – who you live with 51% of the time. If he or she has remarried, you must include the stepparent's income

FAQ's

Q: “We have accumulated quite a bit of debt (credit card, etc.) so we don’t really have that much money”

A: To be equitable, schools cannot consider debt

Financial Aid Websites

FAFSA: www.fafsa.gov

FAFSA application, FAFSA renewal application, Apply for PIN

Cal Grant: www.calgrants.org

Information on Cal Grant programs, Monitor your Cal Grant application

College Board: www.collegeboard.org

CSS/Financial Aid Profile, Financial Tip Sheets, General Financial Aid Information

Fin Aid: www.finaid.org

Financial aid information in English (not in Financial Aid speak!)

Fast Web: www.fastweb.com

Scholarship search site

Questions

