

Stepping Through Financial Aid

See also Financial Aid Terms

Financial aid includes need-based and non-need-based (merit) aid. Financial need is not considered in admissions at many colleges (need-blind) but may be considered at others (need-aware). Regardless, if you need or might need financial aid, you should apply for it. Some colleges require applying for financial aid even to receive non-need-based aid.

- **Expected Family Contribution – Your EFC**

The basis of the financial aid process is the Expected Family Contribution (EFC). You can estimate using an online calculator (finaid.org, collegeboard.com), using both the federal and institutional methodologies. It is based on income and assets of the parent(s) and student. It may differ from your own idea of what you might be able to afford.

- **Financial Aid Requirements and Deadlines Are Set by Each College or University**

Each institution sets its own requirements and deadlines for applying for financial aid. Deadlines may vary for early applications (may be due in late fall) versus regular decision applications. Application forms include the FAFSA and possibly the CSS Profile or a school application form.

- **The Free Application for Financial Aid – FAFSA – **file ASAP after Jan. 1****

Every U.S. college requires financial aid applicants to file the FAFSA in order to be considered for financial aid from the federal government and the institution.

- **Other Forms May Be Required – CSS Profile, Cal Grant GPA Verification, Other**

One common supplemental form is the CSS Profile, administered by the College Board. The Profile has a fee (fee waivers available). Cal Grants require the FAFSA and GPA verification by the high school by March 2. Some colleges may have their own forms as well.

- **Apply Early and Update Later If Necessary**

Submit the application(s) online ASAP (late fall for the CSS Profile, after Jan. 1 for the FAFSA) using estimated financial data! You can make corrections later. Colleges have a finite amount of money budgeted for financial aid so avoid receiving less aid as colleges approach their budget limits. Assets are reported based on the day you apply, so pay bills, make purchases, etc. before you apply. Free Cash for College Workshops in late winter help with completing the FAFSA and offer \$1000 scholarship opportunities.

Application(s) will be sent to colleges you indicate on the application form(s). The FAFSA allows listing 10 colleges at a time. If you want to add more colleges, submit them as corrections after you receive the Student Aid Report (SAR), sent a few days after applying. The SAR will show your student's EFC under the federal methodology.

Make copies of everything you send. A few weeks after you submit the necessary information, call the college financial aid office to confirm that your student's application is complete.

- **How Financial Aid is Awarded**

Individual colleges use the EFC (and CSS Profile for some) to determine your student's demonstrated financial need. Financial need is the difference between the cost of attendance at a particular college and an applicant's EFC. Each college will put together a financial aid package that shows how it plans to meet the financial need. If a student is accepted at three colleges and applies for financial aid at all of them, s/he will receive three different financial aid packages. Award letters will be sent prior to May 1, the deadline for accepting an offer of admission.

Financial aid packages can contain any combination of the three basic types of aid: loans, grants or scholarships, and work-study. Each college's financial aid package will have different proportions of loans, grants and work-study.

- **Need-based Aid versus Non-Need-Based or Merit Aid**

Need-based grants and scholarships are based solely on financial need. Merit-based grants or scholarships may be given to students who have special talents or achievements in some area. Merit scholarships are not limited to students who have financial need. Apply for outside scholarships but be aware they may affect need-based financial aid packages.

- **Comparing Financial Aid Packages**

The amount of money in a financial aid package depends on a student's EFC and the cost of the college. There are two main points to review: does the aid meet the full demonstrated financial need, and what proportion of the package is loans versus grants and work.

- **Meeting Financial Need**

Many colleges try to meet the full financial need of their students but many colleges resort to gapping. Gapping is when a college offers some financial aid, but not enough to meet the full financial need.

- **Free Money versus Loans**

Some colleges can afford to offer substantial grant or scholarship aid (which need not be paid back); others rely more heavily on loans (which must be paid back).

- **Appeals**

Limited appeals on financial aid packages may be possible. If your family has special circumstances not covered by any of the standard financial aid forms or if your financial situation changes at any time (for example, if a parent loses a job), contact the financial aid office. Be respectful and appreciative, not entitled. Financial aid officers want to know about anything that could impact your ability to pay for your student's education. They must work within certain limits, but their mission is to help families afford their college.

- **Federal Tax Credits**

You may be able to recover some of college expense through federal tax benefits. The American Opportunity Tax Credit is available for four years of college, and the Lifetime Learning Tax Credit is available for college enrollment at any level. To take advantage of these benefits, you must be in a qualifying income bracket.

Adapted from NACAC.