Financing a College Education
Agenda

- Financial Aid Eligibility Criteria
- Federal Aid - FAFSA
- Federal Aid Programs
- Verification
- New York State Aid - TAP
- Financial Need
- Reviewing Award Letters
- Where to Go from Here
General Application Process

Complete all applications required. Applications may include:

- Free Application for Federal Student Aid
- Tuition Assistance Program
- CSS Profile
- Other institutional forms

School websites are a great resource for policies & procedures and deadlines.
Financial Aid Eligibility Criteria
Financial Aid Eligibility Criteria

- Pursing a degree or certificate
- Courses must be applicable to degree/certificate
- U.S. Citizen or eligible non-citizen
- Males must register for Selective Service
- Valid Social Security Number
- Previous student loans must not be defaulted
- Must not owe overpayment of Federal grant or loan
- Maintain satisfactory academic progress
- Must have a high school diploma or equivalent (GED)
  *Drug related convictions can cause loss of eligibility
Independent vs. Dependent Student

- Born before 1/1/1995
- Married
- Have legal dependents other than a spouse
- Orphan or ward of the court
- Veteran of U.S. Armed Forces
- On active duty in U.S. Armed Forces for purposes other than training.
- Homeless or unaccompanied youth
- Emancipated minor or has/had a legal guardian.
- Determined to be “independent” by financial aid administrator
Federal Aid
Available:
October 1st

Collects:
Personal Information
Financial Information
Student & Parent Signature (FSA ID)

Determines:
Student’s EFC

www.fafsa.gov
FSA ID
- Username and Password
- Created by student & parent
- Remains the same throughout college career
- Electronic Signature
- Accesses Federal Website

www.fsaaid.ed.gov
## Student 2012 Federal Income Tax Information

The information below is your tax information that will help you answer some of the questions on the FAFSA.

<table>
<thead>
<tr>
<th>My Tax Information</th>
<th>FAFSA Question Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Year</td>
<td>2012</td>
</tr>
<tr>
<td>Name(s)</td>
<td></td>
</tr>
<tr>
<td>Social Security Number</td>
<td></td>
</tr>
<tr>
<td>Filing Status</td>
<td>Married-Filed Joint Return</td>
</tr>
<tr>
<td>Type of Tax Return Filed</td>
<td>1040A</td>
</tr>
<tr>
<td>Adjusted Gross Income</td>
<td>$32,376</td>
</tr>
<tr>
<td>Income Earned From Work</td>
<td>$32,376</td>
</tr>
<tr>
<td>Income Tax</td>
<td>$0</td>
</tr>
<tr>
<td>IRS Exemptions</td>
<td>2</td>
</tr>
<tr>
<td>Education Credits</td>
<td>$1,288</td>
</tr>
<tr>
<td>IRA Deductions and Payments</td>
<td>$0</td>
</tr>
<tr>
<td>Tax-Exempt Interest Income</td>
<td>$0</td>
</tr>
<tr>
<td>Untaxed IRA Distributions</td>
<td>$0</td>
</tr>
<tr>
<td>Untaxed Pensions</td>
<td>$0</td>
</tr>
</tbody>
</table>

Your filing status indicates you may need to split this amount and enter it in two places on the FAFSA.

Student: Question 33 on the FAFSA
Spouse: Question 39 on the FAFSA

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**Print this page for your records before choosing an option below.**

### Transfer My Tax Information into the FAFSA

- **The tax information provided above will populate the answers to the appropriate FAFSA questions.**
- After the FAFSA is populated your IRS session will end and you will return to your FAFSA.
- Check this box if you are choosing to transfer your information.

### Do Not Transfer My Tax Information and Return to the FAFSA

- By clicking the "Do Not Transfer" button, you are choosing not to transfer your tax information electronically. Your IRS session will end and you will return to your FAFSA.
- You may still use this tax information to input the data into your FAFSA.
• RECOMMENDED, if available, as an option for student and parents.
• FAFSA will “Retrieve Data” from the IRS to populate most income related fields on the FAFSA.
• Generally available within 2 weeks of filing taxes electronically or 4-6 weeks after mailing a paper tax return.
• Students and parents can log back onto their FAFSA and complete the IRS Data Retrieval at any time, even after FAFSA is initially submitted.
• Families that do not or cannot utilize the IRS Data Retrieval tool will be required to obtain a Tax Return Transcript from the IRS for the verification process.
• Not available to everyone. Those who file taxes late, amend their return, owe tax, file using an extension, have identity theft issues and recent change in marital status will most likely not be able to use IRS Data Retrieval and may be delayed in receiving an IRS Tax Return Transcript.
Frequent Errors

• Social Security Number
• Divorced/remarried parental information
• Income earned by parents/stepparents
• Income tax paid, AGI, tax refund
• Household size
• Number of family members in college
• Real Estate & investment net worth
  • Includes: stocks, bonds, certificates of deposits, mutual funds & trust funds,
  • Excludes: primary residence, retirement accounts (IRA, 401(k), 403(b), pension plan) & life insurance policies
Verification
What’s next?

Financial Aid office receives the FAFSA results then:

- More information is requested by the college. (Verification)
- OR
- Awards are determined.
Verification

• FAFSA applications are randomly selected by the U.S. Dept. of Education to be “verified”

• Information on the FAFSA must be compared with the documentation you provide and corrections are made as necessary.
  - Tax Transcript (if no IRS Data Match), W-2 forms, other income, college forms

• Verification process must be completed by each individual financial aid office

• If you are selected, aid cannot be processed for the student until his/her application has been verified
Federal Aid Programs
### Federal Grants

<table>
<thead>
<tr>
<th>Pell</th>
<th>SEOG</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Maximum Yearly Award</td>
<td>• Maximum Yearly Award</td>
</tr>
<tr>
<td>= $5920 (2017-2018)</td>
<td>=$ 4000</td>
</tr>
<tr>
<td>• Can receive for 6 years (FT)</td>
<td>• Can receive until 1st</td>
</tr>
<tr>
<td>(FT) or until 1st Bachelors</td>
<td>Bachelors Degree</td>
</tr>
<tr>
<td>Degree</td>
<td>• Prorated based on degree</td>
</tr>
<tr>
<td></td>
<td>applicable credit hours</td>
</tr>
<tr>
<td>• Prorated based on degree</td>
<td>• Awarded to students</td>
</tr>
<tr>
<td>applicable credit hours</td>
<td>with exceptional</td>
</tr>
<tr>
<td></td>
<td>financial need</td>
</tr>
</tbody>
</table>
Federal Grants

Teacher Education Assistance for College and Higher Education (TEACH)

• TEACH Grant recipients must agree to serve as a full-time teacher in a high-need field in a public or private elementary or secondary school that serves low-income students for at least four academic years within eight years of completing the degree.

• Recipients that fail to complete this service obligation will have their TEACH Grant converted to a Federal Direct Unsubsidized Stafford Loan with interest since acceptance of award added.

• Meet certain academic achievement requirements (generally, scoring above the 75th percentile on a college admissions test or maintaining a cumulative GPA of at least 3.25).

• High Need Fields: Bilingual Education, English Language Acquisition, Foreign Language, Mathematics, Reading Specialist, Science, Special Education.

• $4,000 per year, $16,000 for undergraduates total, $8,000 total for graduate students.
Federal Work-Study (FWS)

• Undergraduate and graduate students are eligible

• Employment may be on or off campus

• Schools must use portion of FWS funds for community service employment activities

• Student works to earn pay check

• Pay rate is determined by school
<table>
<thead>
<tr>
<th></th>
<th>Subsidized</th>
<th>Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>4.45% (2017-2018)</td>
<td>4.45% (2017-2018)</td>
</tr>
<tr>
<td></td>
<td>Must demonstrate “need”</td>
<td>Need is not considered</td>
</tr>
<tr>
<td></td>
<td>Interest free when enrolled for 6 credit hours or more</td>
<td>Interest accrues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Pay while in school or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Capitalize</td>
</tr>
</tbody>
</table>
Federal Direct Stafford Loans

• Funds provided directly by federal government
• Must be registered for at least 6 degree-applicable credits per semester
• Not credit-based
• 6 Month Grace Period
• 7 repayment plans (10 – 25 years)
• Each school determines criteria for class year and loan eligibility
• Electronic Master Promissory Note (MPN) and Entrance Counseling must be completed prior to borrowing Stafford Loans
• Dependent freshman annual loan limit is $5,500 each year
• Dependent sophomore annual loan limit is $6,500 each year
• Dependent junior and senior annual loan limits are $7,500 each year
• Of the above amounts, $2,000 must be unsubsidized funds.
• Dependent undergraduate borrowing limit $31,000 ($57,500 independent)
Federal PLUS Loan

Parent PLUS Loan

• Federal parent loan program for parents of dependent undergraduate students enrolled in at least 6 degree applicable credits per semester

• Annual loan limit: COA minus other aid

• Fixed interest rate

• Interest rate is fixed at 7.00% (2017-2018 year)

• Repayment begins 60 days after loan is fully disbursed

• Credit based

Parent Denied for PLUS Loan:
Student becomes eligible to borrow additional unsubsidized Stafford loan
Up to $4,000 for first & second years of undergraduate study
New York State Aid

HESC
We Help People Pay For College
HESC Programs:

- TAP Grant
- Part-time TAP Grant
- APTS Grant
- Merit Scholarships
- STEM Scholarship
- Veteran’s Award
- Aid to Native Americans
- Excelsior Scholarship

www.hesc.ny.gov
HESC- Tuition Assistance Program

• New York residents attending New York colleges only

• Must submit FAFSA in order for TAP application to be available

• First school listed on FAFSA will receive TAP award information

• Net Taxable Income limits:
  – $80,000 for dependent student
  – $10,000 for independent student without children

• Awards based on New York State Net Taxable Income from prior year & school’s tuition

• Maximum annual award is $5,000 for dependent students
Welcome to TAP on the Web! This online application process allows you to apply for New York State's Tuition Assistance Program (TAP). The New York State Higher Education Services Corporation (HESC) is the State's student financial aid agency, helping people pay for college by administering 18 student financial aid programs, including TAP, a highly successful College Savings program, and offering guidance to students, families and counselors.

To complete your online TAP application, you must first create a user name and personal identification number (PIN). Click here.

If you have not submitted a FAFSA application, you may do so at www.fafsa.ed.gov.
• Part-time TAP
  - For students enrolled in less than twelve degree applicable credits AND
  - Completed twelve credits per semester in two preceding, consecutive semesters. Must have been a first time, freshman in 2006-2007 or after
  - Uses same online application as full-time TAP

• APTS (Aid for Part-Time Students)
  - Separate, paper application available in Financial Aid Office and processed by college, not NYS
  - Awards vary, not to exceed cost of tuition
  - Must be enrolled in less than twelve degree applicable credits
  - Available for students who have attended college prior to 2006-2007 or those who do not have two consecutive semesters of 12 earned credit hours.
Eligibility

- NYS Resident for at least 12 continuous months prior to start of term
- Follows federal requirements for citizenship, HS completion, etc.
- Parents combined AGI cannot exceed $100,000
- Enrolled Full-Time in a degree program at a SUNY or CUNY college
- Complete at least 30 credits per year (be “on-time” to graduate)
- Sign a contract with NYS agreeing to reside in NYS for the length of time the award was received

How to apply:

- First must complete the FAFSA and TAP applications online
- Excelsior Scholarship application will be available on HESC website once the application period is determined for next year
- More information available on www.hesc.ny.gov
Award calculation:

- Award amount is determined by your school
- May receive up to $5,500 for the year
- Only covers remaining tuition liability; NOT books, fees, housing, etc.

\[
\text{Resident tuition rate charged by SUNY} \\
- \quad \text{All applicable financial aid*} \\
\text{-----------------------------------------------------------------------------} \\
\text{= Remaining tuition expense}
\]

*All applicable financial aid includes all Federal, State, Institutional & Private Aid OTHER than loans, work study or awards designated specifically for non-tuition related expenses.
Financial Need
Financial Need

Cost of Attendance
– Expected Family Contribution
= Financial Need
# Cost of Attendance

<table>
<thead>
<tr>
<th>Direct Costs</th>
<th>Indirect Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Expenses paid directly to the school</td>
<td>- Expenses incurred but not paid to school</td>
</tr>
<tr>
<td>• Tuition</td>
<td>• Books</td>
</tr>
<tr>
<td>• Fees</td>
<td>• Personal Exp.</td>
</tr>
<tr>
<td>• On-campus Room &amp; Board</td>
<td>• Off-campus Room &amp; Board</td>
</tr>
<tr>
<td>• Personal Computer (if required by school)</td>
<td>• Loan Fees</td>
</tr>
<tr>
<td></td>
<td>• Transportation</td>
</tr>
</tbody>
</table>

- Tuition
- Fees
- On-campus Room & Board
- Personal Computer (if required by school)
- Books
- Personal Exp.
- Off-campus Room & Board
- Loan Fees
- Transportation
Expected Family Contribution (EFC)

• Federal formula takes into account:
  - Parent and student income
  - Size of family
  - Number of children in college
  - Assets

• Schools use EFC to determine:
  - Eligibility for Pell & SEOG grants
  - Subsidized vs. Unsubsidized loans
Alternative Loans

• Loans through private bank lenders to help meet costs not covered by other aid

• Annual loan limit: COA minus other aid

• Credit based

• Student applicants usually need a cosigner

• Many lenders offer educational loans. Interest rate and terms vary based on lender. Shop around!

• Usually deferrable while attending school
Reviewing Award Letters
Example Award Letter

2017-2018
Financial Aid Eligibility Letter

<table>
<thead>
<tr>
<th></th>
<th>Fall</th>
<th>Spring</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Pell Grant</td>
<td>985</td>
<td>985</td>
<td>1970</td>
</tr>
<tr>
<td>Subsidized Stafford</td>
<td>1750</td>
<td>1750</td>
<td>3500</td>
</tr>
<tr>
<td>Unsub. Stafford</td>
<td>1000</td>
<td>1000</td>
<td>2000</td>
</tr>
<tr>
<td>Estimated NYS TAP</td>
<td>250</td>
<td>250</td>
<td>500</td>
</tr>
<tr>
<td><strong>TOTAL AWARDS</strong></td>
<td><strong>3985</strong></td>
<td><strong>3985</strong></td>
<td><strong>7970</strong></td>
</tr>
</tbody>
</table>

Based upon a dependent, full-time (12cr), freshman student with an EFC of 3950
Reviewing Award Letters

Questions to Consider:
- What is the school’s cost of attendance?
- What is the source of the aid? Grant or loan?
- What are student’s out-of-pocket expenses?
- Are scholarships renewable?
- Do scholarships have a GPA requirement?

*Student loan and Pell grant amounts stay the same, despite school’s cost. TAP awards vary based on school’s tuition rate.
Where to go from here
Where to go from here

• Obtain and review admissions & financial aid materials from each school to which you are applying
• Meet **ALL** application deadlines
• Investigate other sources of aid
• If you feel you have a special financial aid circumstance, please contact the Financial Aid Office for their policies and procedures
Federal Family Educational Rights & Privacy Act (FERPA)

- What is it?
  Federal law that protects the privacy of student education records

- What does this mean for student and parents?
  - Find out each school’s FERPA policy
  - You may need to have written permission from the student for any inquiries
  - You may need identification numbers, passwords, or PIN numbers to obtain information or even pay the school bill
Good Luck!