



Financial Aid Basics

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Objectives

- Identify the **human resources** in your life—and know how to utilize them!
- Learn about the different federal, state, and school-based **financial resources** available to you.
- Learn the process of **determining financial need**.
- Identify **scholarship resources** and understand how to implement a successful scholarship search.
- Determine **eligibility** for The Scholarship Foundation's interest-free, fee-free loans.

Step 1: Get Ready

Know where you are and create a plan of action.

- Determine where **YOU** are in the college planning process. *Remember, all students must take similar steps, but there is uniqueness to your individual path.*
- Define how much time you realistically have to get started and set a comfortable and realistic pace. *Consider college admissions deadlines, priority scholarship deadlines, and financial aid matters. Do not wait until the last minute to either do your research or apply.*
- Reduce anxiety and identify areas where you may need more assistance or guidance. *This is a stressful process; be proactive and make a calendar of your tasks and deadlines. Use your resources.*
- Outline a strategic approach or a plan of action; know the concrete steps necessary to reach your goal. *Having a strategy prevents confusion, makes the process easier, and will (hopefully) ensure you do not miss deadlines!*
- Find a starting point. *You must start somewhere—getting started will help make this easier!*
- Create back-up plans; things don't always work out. Having a back-up plan (or two, or three!) in place early is **smart!** *Always apply to a range of schools, plan to compare financial aid offers, and have back-up plans in case your first choice doesn't work out.*

Step 2: Find Help!

Identify people to help and support you!



These people can be your **human resources**! Reach out for their support—they can help you navigate the path, answer questions, provide recommendations/letters of reference, listen to your concerns, and assist you with staying on track. Communicate with them!

Build a support network!

Step 2: Find Help!

Understand financial resources!

	Grants	Scholarships	Work Study	Loans
Sources	<ul style="list-style-type: none"> Federal <ul style="list-style-type: none"> Pell FSEOG State* Institutional** Private Charitable Organizations 	<ul style="list-style-type: none"> National Local Institutional Organizations Corporations 	<ul style="list-style-type: none"> Federal, state, and local Institutional Local (e.g., community organizations) 	<ul style="list-style-type: none"> Federal <ul style="list-style-type: none"> Subsidized Loans <ul style="list-style-type: none"> Stafford Perkins Unsubsidized Stafford Parent Loan for Undergraduate Students (PLUS) Private Banks Charitable Organizations
Considerations	<ul style="list-style-type: none"> Need or merit-based aid Does not need to be repaid Some may be first-come, first-served Apply by completing FAFSA <p>*Check with your state. **Vary from one college to another.</p>	<ul style="list-style-type: none"> Need or merit-based aid Does not need to be repaid NO COST: Never pay to apply RENEWABLE: Is it renewable? What are the requirements? PORTABLE: Can you take it to other schools? Separate application, but many require FAFSA Many are one-time awards 	<ul style="list-style-type: none"> Self-help aid First-come, first-served Does not need to be repaid Need-based Apply by completing FAFSA Requires time and stress management skills 	<ul style="list-style-type: none"> Self-help aid Must be repaid Most accrue interest May require parent/cosigner May require credit history and/or credit check Cannot be discharged in bankruptcy Apply by completing FAFSA Entrance counseling and promissory note required at www.studentloans.gov.

Step 2: Find Help!

Understand financial resources!

What is the FAFSA?

The FAFSA is the **Free Application for Federal Student Aid!**

- It is **free**—always complete at www.fafsa.gov!
- Students **must complete** to be considered for *all* federal aid, most state aid, and many school-based awards.
- The FAFSA for 2018-2019 will be available on **October 1st, 2017!**
- Students must create a Federal Student Aid (FSA) ID. The FSA ID consists of a **Username and Password**, which will be used to log into the FAFSA. FSA IDs are created at: <https://fsaid.ed.gov>.
- Students can immediately use the IRS Data Retrieval Tool (DRT), which transfers processed tax information from the IRS into the FAFSA. Students are strongly advised to use IRS DRT when filing their FAFSA. The FAFSA for 2018-19 will use **2016 tax information**.
- The FAFSA calculates your **Expected Family Contribution**, or EFC. This number is two things. It is a dollar amount that the Department of Education calculates a family can “reasonably” afford for one academic year; in addition, it is used to determine eligibility for various federal and state financial aid.
- There is lots of **free help and support** for completing your FAFSA!
 - Live help online at www.fafsa.gov or call 1.800.433.3243.
 - **FAFSA Frenzy!** Find sites, dates, and times at: www.dhe.mo.gov.
 - **Scholarship Foundation offers free clinics!** Dates and times are posted at www.sfstl.org! Call 314.725.7990 to make an appointment.

Step 2: Find Help!

Understand financial resources!

Federal Grants	State Grants
<p>Pell Grant</p> <ul style="list-style-type: none"> ○ Federal grant ○ Current maximum award: \$5,920 ○ Need-based aid ○ FAFSA required ○ May receive for up to 12 semesters or the equivalent. ○ EFC Cutoff: \$5,198 	<p>Access Missouri</p> <ul style="list-style-type: none"> ○ State grant; attend Missouri school ○ Current award amounts vary annually due to state appropriations; minimum award is \$1,500. ○ Award amounts may be tiered based upon EFC.¹ ○ Need-based aid ○ FAFSA Required ○ EFC Cutoff: \$12,000 ○ Priority deadline is February 1st; applications on file by April 1st <i>may</i> receive funds depending on availability.
<p>Federal Supplemental Educational Opportunity Grant (FSEOG)</p> <ul style="list-style-type: none"> ○ Federal grant ○ Current maximum award: \$4,000 ○ Need-based aid ○ FAFSA required ○ First-come, first-served ○ Students with lowest EFCs, Pell eligibility are given priority in the award process. 	<p>A+</p> <ul style="list-style-type: none"> ○ State grant ○ Students at approved high schools who have completed necessary requirements. ○ FAFSA required ○ Covers tuition and fees at any Missouri community college (after Pell eligibility applied). ○ Funding limited to 6 semesters. ○ Must be used within 4 years of graduation from high school.
	<p>IL Monetary Award Program (MAP Grant)</p> <ul style="list-style-type: none"> ○ State grant; IL residents attending IL college ○ Award amounts vary, but the current maximum is \$4,720 ○ Need-based aid ○ FAFSA Required ○ Awarded on a first-come, first-served basis. File FAFSA at earliest convenience.

Work-Study
<ul style="list-style-type: none"> ○ Provides part-time jobs for undergraduate and graduate students with financial need. ○ FAFSA required ○ Paid by the hour. ○ Wages must equal at least current federal minimum wage. ○ Amount earned cannot exceed Federal Work Study (FWS) award. ○ Award amount, class schedule, and academic progress are considered when assigning work hours for work study.

¹ \$0-\$7K EFCs receive state appropriated maximum. EFCs \$9,001-\$12K state appropriated minimum. EFCs between \$7,001-\$9K may vary. This award structure has been in place since Access Missouri's beginning, but funds are not always sufficient to tier award amounts between the maximum and minimum.

Student Loans	
Good or Better Loans	“Be Cautious”: Limit or Avoid Loans
<p>Subsidized Stafford</p> <ul style="list-style-type: none"> ○ Federal loan ○ Students with financial need ○ Government pays interest while in school ○ FAFSA required ○ The interest rate on subsidized loans first disbursed to undergraduate students between July 1, 2017 and June 30, 2018 will be fixed at 4.45%.² ○ Students have 6 month grace period. 	<p>Unsubsidized Stafford</p> <ul style="list-style-type: none"> ○ Federal loan ○ NOT need-based. ○ Government does NOT pay interest, which means interest accrues immediately. ○ FAFSA required ○ The interest rate on unsubsidized loans first disbursed to undergraduate students between July 1, 2017 and June 30, 2018 will be fixed at 4.45%.³ ○ Students have 6 month grace period.
<p>Perkins Loan</p> <ul style="list-style-type: none"> ○ Federal loan ○ Fixed 5% interest rate ○ Students with exceptional financial need ○ Government pays interest while in school ○ FAFSA required ○ School is lender; loan repaid to school. ○ Maximum amount student may borrow: \$4,000 per year.⁴ ○ Maximum amount student may borrow as undergraduate: \$20,000.⁵ ○ Students have 9 month grace period. 	<p>PLUS Loan</p> <ul style="list-style-type: none"> ○ Student must be dependent ○ Biological or adoptive parent borrows for the student’s education. ○ Credit-based ○ Annual limit is equal to the student’s cost of attendance minus any other financial aid the student receives. ○ The interest rate on PLUS loans first disbursed between July 1, 2017 and June 30, 2018 will be fixed at 7%.⁶ ○ Repayment begins when loan is fully disbursed. First payment is 60 days after final disbursement. ○ FAFSA required
<p>Scholarship Foundation Interest-Free Loan</p> <ul style="list-style-type: none"> ○ Private loan ○ Students with financial need ○ Maximum award is \$11,000 per year ○ 2- and 4-year schools around the country; must be accredited and nonprofit ○ Academic: minimum 2.0 cumulative GPA ○ Character: Demonstrate honesty, good judgment, forthrightness ○ Financial need ○ FAFSA required ○ Students have 12 month grace period. 	<p>Private Loan</p> <ul style="list-style-type: none"> ○ Institutional ○ Bank ○ May have credit requirements ○ May require cosigner ○ High and/or variable interest rate ○ Limited, if any, options for deferment or forbearance ○ FAFSA required: all private bank loans must be certified by financial aid administrator.

² Interest on this loan is recalculated and adjusted each year on July 1st; the interest rate is not to exceed 8.25%. Rate is set based on 10-year Treasury note +2.05% for this loan.

³ Interest on this loan is recalculated and adjusted each year on July 1st; the interest rate is not to exceed 8.25%. Rate is set based on 10-year Treasury note +2.05% for this loan.

⁴ Graduate students may borrow \$6,000 per year as a maximum on Perkins Loans.

⁵ The aggregate amount a graduate student may borrow in Perkins Loans is \$40,000.

⁶ Interest on this loan is recalculated and adjusted each year on July 1st; the interest rate is not to exceed 10.5%. Rate is set based on 10-year Treasury note +4.60% for this loan.

Determining Financial Need

Cost of Attendance (COA)

(Cost of Attendance is the total cost of attending a particular college for one year. Colleges and universities add up: tuition, books, fees, supplies, room (i.e., housing costs), board (i.e., food), transportation, and loan fees to determine COA.)

-EFC

(The Expected Family Contribution, or EFC, is an indicator of a student and family's ability to pay for the student's cost of attendance. This number is calculated by completing the FAFSA. It is the one piece that determines eligibility for need-based aid such as Pell grant. This amount is an out-of-pocket expense.)

= NEED

-GRANT AID

(This is can be in the form of federal, state, institutional or private sources.)

= **UNMET NEED**

(LOANS!)*

**Paid out of pocket in addition to EFC!*

Determining Financial Need - Example

How much will I need?

\$29,100

Cost of Attendance

- Tuition, fees, books, supplies, and living expenses

\$4,416

Expected Family Contribution (EFC)

- Amount determined by FAFSA (it can be modified for special circumstances).

\$12,284

Grants

- Aid awarded from all sources that does not have to be repaid. This includes Pell Grant, Access Missouri, and outside scholarships (found on award letter).

\$12,400

Unmet Need

Amount remaining to fulfill cost of education. This amount is usually met by borrowing from federal or private loans. *THIS IS AN OUT-OF-POCKET EXPENSE.*

How do I fill the gap?

Subsidized	Unsubsidized	Scholarship Foundation
YR 1: \$3,500 YR 2: \$4,500 YR 3+: \$5,500	\$2,000 (D)* \$6,000-\$7,000 (I)*	Up to \$11,000/year Undergraduate only
Lifetime Limit: \$23,000 Interest Rate: 4.45%	Lifetime Limit: \$31,000 (D) \$57,000 (I) Interest Rate: 4.45%	Lifetime Limit: \$55,000 Interest Rate: 0%

* Dependent and Independent students are eligible for different annual and aggregate limits of unsubsidized Stafford/Direct Loans. Dependents students are required to include parent information on the FAFSA; independent students are not required to include this information.

** Interest rates for both subsidized and unsubsidized Stafford/Direct Loans are fixed, but are subject to change every July 1st. See page 9 for additional information.

Step 3: Get organized!

- Keep everything together! This includes:
 - College Applications
 - Financial aid forms
 - Student and parent taxes (NOTE: IRS Tax Transcript)⁷
 - Students must create a Federal Student Aid (FSA) ID. The FSA ID consists of a **Username and Password**, which will be used to log into the FAFSA. FSA IDs are created at: <https://fsaid.ed.gov>.
 - FAFSA Submission Confirmation
 - Student Aid Report (SAR): Can be found at www.fafsa.ed.gov⁸
 - ALL communication from schools where student applies
- Try an accordion file folder.
 - Keep each school separate.
 - Keep copies of ALL paperwork:
 - Applications
 - Verification forms
 - Deposits/agreements, etc.
- Keep a calendar with all important deadlines. You don't want to miss any of the following:
 - Admissions deadlines
 - Scholarship deadlines
 - Priority deadlines for the FAFSA⁹
 - Financial aid appeal deadlines¹⁰
 - Payment plan deadlines

⁷ For verification purposes, schools will ask for an IRS Tax Transcript, not a copy of the 1040. You are strongly advised to secure a copy from the IRS so that you have one on hand if you are selected for verification. Call 1.800.908.9946 or visit www.irs.gov. If you do not file or will not file, you may still need a non-tax filer form, which can also be secured from the IRS.

⁸ If you are unable to access the Student Aid Report (SAR), try disabling the pop-up blocker on your browser.

⁹ You may always file a FAFSA, but be aware that most colleges and states (including Missouri!) have priority deadlines for FAFSA if you want to be considered for aid. Check with individual schools!

¹⁰ You have the right to appeal your financial aid from a school—either for financial or competitive reasons!

Implementing a Successful Scholarship Search

Start with your college or university first! Make sure you check with schools regarding their scholarship process:

- Are you considered for scholarships when you apply for admissions? *What is the deadline?*
- Is there a separate scholarship application? *What is the deadline?*
- Some schools offer scholarships both ways—do your research!

Research **local opportunities** first!

- Visit www.MyScholarshipCentral.org to search for St. Louis-area opportunities:
 - *Scholarship Central* is a common application, which allows you to apply for multiple opportunities in one place!
 - *External Opportunities* are scholarships linked through the website and include all pertinent information, although they cannot be applied to via Scholarship Central.
- Check with your guidance counselor for opportunities through your school and community. If you haven't already:
 - Make an appointment with your *guidance or college counselor*.
 - Check your *guidance website* for any posted opportunities.
 - Visit the *guidance office*—most offices have a bulletin board or scholarship area. Check it out!

There are **national opportunities** too!

- First, never, ever pay for a scholarship search!
- Consider these two things:
 - Is it **renewable**?
 - Is it **portable**? (i.e., Can you take it from one school to another if you transfer?)
- Visit www.fastweb.com, www.scholarships.com, or <https://bigfuture.collegeboard.org/scholarship-search> to start searching today!

Helpful Hints:

Tips on applying to college and navigating the financial aid process!

Apply early! It is a great idea to have applications in early! Many priority deadlines are in November and early December. Having applications in early helps to reduce stress! It may also place you in line early for financial aid. It also allows for additional time in the decision-making process.

Apply to more than one school! Give yourself options! Apply to a variety of schools! (HINT: This can even be helpful when appealing for additional financial aid from a school.)

Don't rule out private schools. Yes, they are expensive. While we are not telling you that you must or should apply to a private school, don't rule them out immediately. If there is one that interests you, apply! Until you apply and receive financial aid packages you will not know which school will really be the most affordable.

If necessary, appeal early! Investigate the financial aid appeals process or a professional judgment review at your possible school(s)! It is possible to appeal a financial aid package. It is important to contact your school ASAP if you are worried about getting your parents' information for the FAFSA or think you have a unique situation.

Know your personal loan/debt limit! Do research on loan terms, interest rates, annual and aggregate loan amounts so that you ensure you are borrowing the loans with the best possible terms. In addition, consider your area of study and school choice—what is your income potential when you graduate and what will be your student loan monthly payments.

Scholarship Foundation Eligibility Requirements

Interest-Free, Fee-Free Student Loans

Students demonstrating **financial need**, **academic promise** (a 2.0 cumulative G.P.A. on a 4.0 scale), and **strong character** are eligible for consideration for an interest-free loan.

Students must be **permanent residents** of the St. Louis area (more than 2 years).

Students can attend any school in the country, as long as it is **accredited** and **nonprofit**. *Scholarship Foundation does not fund for-profit schools, which are institutions operated by private, profit-seeking businesses.*

Scholarship Foundation has two deadlines: **April 15th** and **November 15th** if funds are available. *In April, students are considered for full-academic year funding; in November, **when funds are available**, students are considered for spring semester funding only.*

All funds are **renewable**, provided that students continue to meet requirements.

Students may receive a **conditional denial for too much need**. This letter is sent to applicants for whom there are concerns about significant debt. When reviewing applications and making awards, The Scholarship Foundation expects a student will borrow no more than \$11,000 per year and that this debt will be covered entirely by an interest-free, fee-free loan from The Scholarship Foundation. Students who receive this letter can appeal if they are able to secure additional grant or scholarship aid; have other resources available to help reduce costs; or are willing to consider a school that is more affordable to **minimize debt burden**.

Web Resources

Need help **choosing a school** that is the right fit for you? Check out these websites:

www.collegeresults.org

www.csocollegecenter.org

www.collegeview.com

www.campustours.com

<https://bigfuture.collegeboard.org/>

<http://youcango.collegeboard.org/>

www.workcolleges.org

Do you have questions about the **ACT or SAT**? Try here to learn more:

www.actstudent.org

<http://sat.collegeboard.com/home>

Confused? Looking for more information? Here are some resources to help you navigate the **pathway to college!**

www.dhe.mo.gov

www.isac.org

www.mappingyourfuture.org

www.knowhow2go.org

www.collegeboard.com

<http://going2college.org>

www.collegedata.com

Web Resources

Applying for or seeking to understand **financial aid from the Federal government**? Make sure you check out these websites:

www.fafsa4caster.ed.gov

<https://fsaid.ed.gov>

www.fafsa.ed.gov

www.nsls.ed.gov

<http://studentaid.ed.gov>

<http://studentloans.gov>

www.collegefinancecenter.org

Looking for **scholarship** opportunities? Check out these scholarship search engines:

www.chegg.com

www.hsf.net

www.uncf.org

Do you have questions about **Scholarship Foundation's programs**? For more information visit:

www.sfstl.org

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