

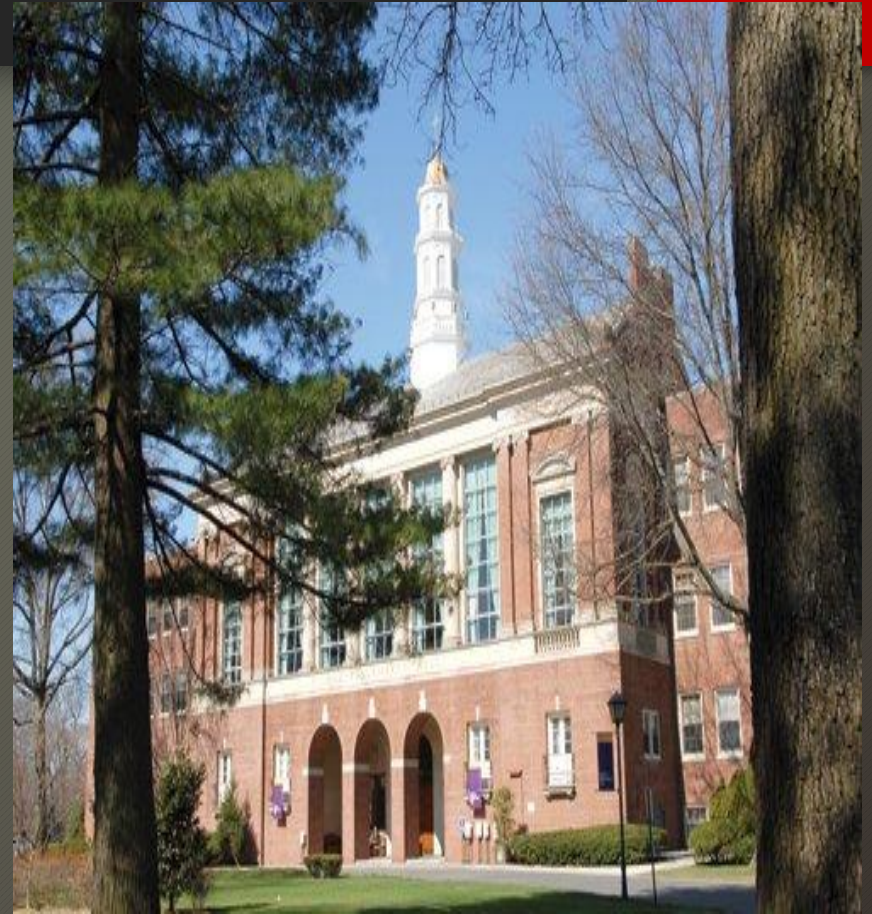
Paying for College: Getting Started-FA 101 Northshore HS



11/27/2023

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Financial Aid officer, Student Financial Aid
Molloy University
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Molloy University



Molloy University

Fast Facts

- Undergraduate- 3700 (est)
- Graduate- 1900(est)
- Majors include
- Nursing, Education and more than 50 others
- Located in Rockville Centre
- Res Halls opened in 2011.
- Student-athletes compete in East Coast Conference (D2)
- Molloy campus life includes more than 40 student clubs

What is Financial Aid??

Gift Aid

- Grants
- Scholarships
 - May be based on:
 - Financial need
 - Merit
 - Other criteria



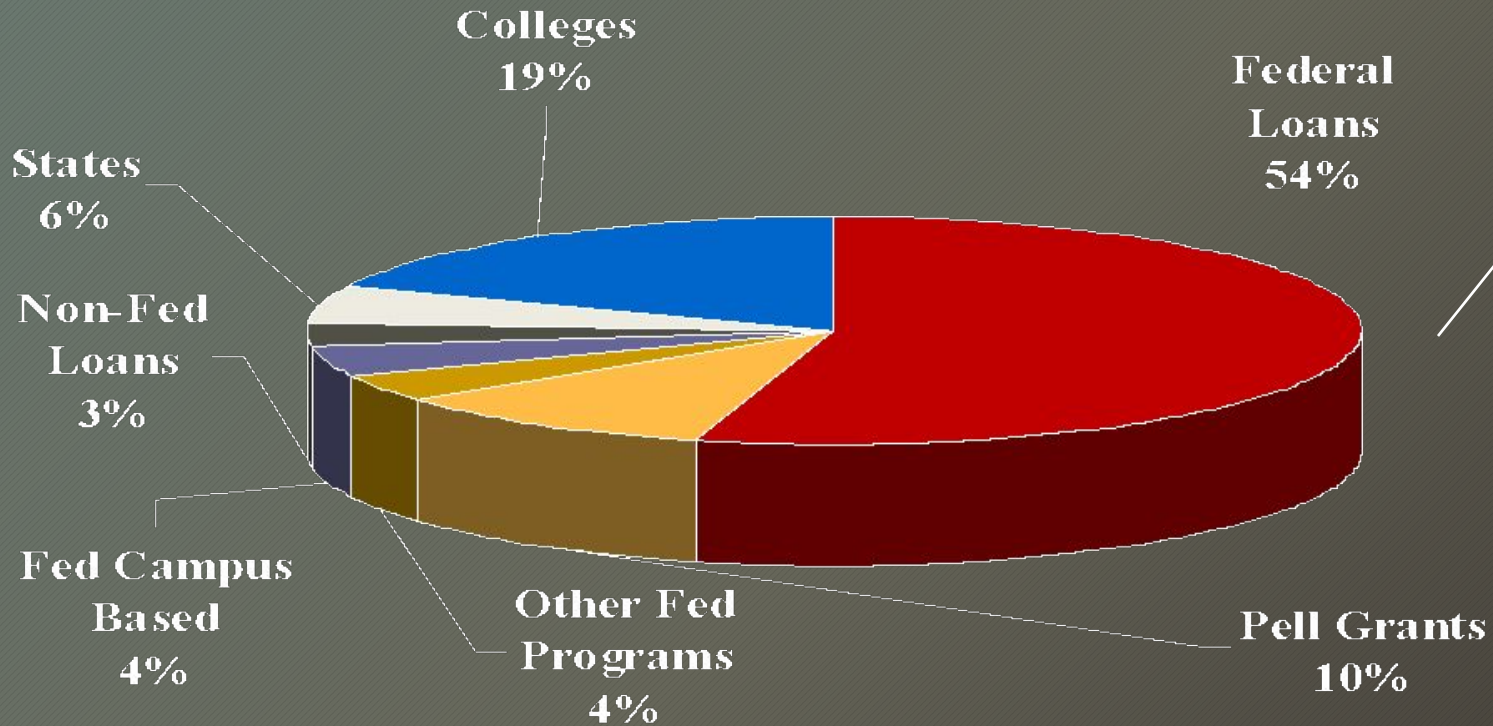
Self-help Aid

- Loans
 - Employment Opportunities
- May be:*
- Need based
 - Non-need-based



Sources of Financial Assistance

5



SO YOU THINK YOU DON'T QUALIFY ?..THINK AGAIN!

2022-2023

- Average Financial aid package for incoming freshman:
- **\$28,324** (includes loans, work study and grants)
- **\$18,125** (includes grant and scholarship money only)



Net Price Calculator

- An easy tool that allows a student/family to get a nice “ballpark” estimate on what the financial aid offer may be



What is the FAFSA??



To Complete The FAFSA

- When applying for federal or state financial aid with the Free Application for Federal Student Aid (FAFSA), you must be a U.S. citizen, U.S. national, or an eligible non-citizen.



What is FAFSA?

FAFSA stands for Free Application for Federal Student

- Must be US citizens or permanent resident to apply.
 - Collects the family's demographic and financial information in order to determine financial need
 - Uses Prior-Prior Year income (2022 taxes for 24/25 FAFSA)
 - FAFSA available every October 1st, but not 24/25 - Dec 2023 instead
 - Electronic version of FAFSA
 - WWW.FAFSA.GOV
 - FAFSA maintenance usually on Sunday mornings.



Application Process - FAFSA

Free

Application for

Federal

Student

Aid

- ❖ www.fafsa.gov
- ❖ 2024-2025 FAFSA (H.S Seniors for Fall 2023, Need tax information for 2022)
- ❖ FAFSA launching Dec 31st 2023



What better way to spend your New years Eve! Do the FAFSA- Not!!

- The DOE announced last week that FAFSA for 24/25 will launch on Dec 31st.
- My suggestion, stay away for a few days ...Jan 3rd/4th?...



New for 24/25



- The 2024-2025 FAFSA changes include the following:
- Selective Service and drug conviction eligibility questions removed from the FAFSA form.

LET'S START WITH THE GOOD!

- LESS QUESTIONS- DOWN FROM OVER 100 TO 36!
- STUDENT ABILITY TO ADD UP TO 20 COLLEGES ON ONLINE FAFSA APPLICATION
- FEWER QUESTIONS ABOUT UNTAXED INCOME
- LARGER PELL GRANTS FOR HIGH-NEED STUDENTS
- Child Support counts as an asset and not Income



The Not so Good.

- Families with two children in college at the same time, contribution will not split as in years past.
- Small business/farm values will be asked about
- Who's info goes on FAFSA in cases of divorce/separation
- Later Launch Dec 2023



FSA ID

- Federal Student Aid ID
- Username and password
- Student and parent must each create their own
- Will be used every year to:
 - Electronically sign FAFSA
 - Complete student loan paperwork
 - Login to U.S. Department of Education websites
- FSA ID password expires every 18 months



Dependent Student Onboarding

FAFSA onboarding page provides information about the different roles that may be required to participate in the student's FAFSA form and documents that may be needed to fill out the form.

FAFSA FORM 2024-25 Student Raya Tran

Understanding the FAFSA Form

2 of 4

Contributors to the FAFSA Form



Parents or Spouses

Your answers on the FAFSA form will determine if any contributors need to be identified. These contributors will complete their own sections of the form and are asked to provide personal and financial information, but will not become financially responsible for your education.



How to Invite

Contributors will need to log in with their own FSA ID to provide their information. To invite a contributor to your FAFSA form, you'll need to provide their name, date of birth, Social Security number, and email address.

Information or Documents You May Need ^

You might need the following information or documents as you fill out the FAFSA form:

- Tax returns
- Records of child support received
- Current balances of cash, savings, and checking accounts
- Net worth of investments, businesses, and farms

Previous Continue

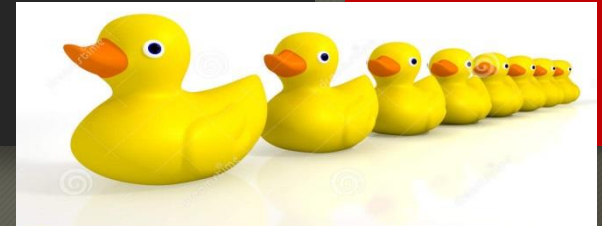
Top 3 FAFSA Errors

- Social Security Numbers
- Date of birth
- Correct Name



Application Process- FAFSA

Get your ducks in a row!



Gather records you will need

- ▶ Students' Drivers License and Social Security Card
- ▶ Parents' Social Security Card
- ▶ W-2 forms and other records of money earned in 2022
- ▶ 2022 Federal Income Tax Returns and applicable schedules
- ▶ Records of Untaxed Income (much less in 24/25)
- ▶ Current Bank Statements
- ▶ Business and Farm Records

School deadlines- Don't drop the ball (like the Mets did.. 😞)

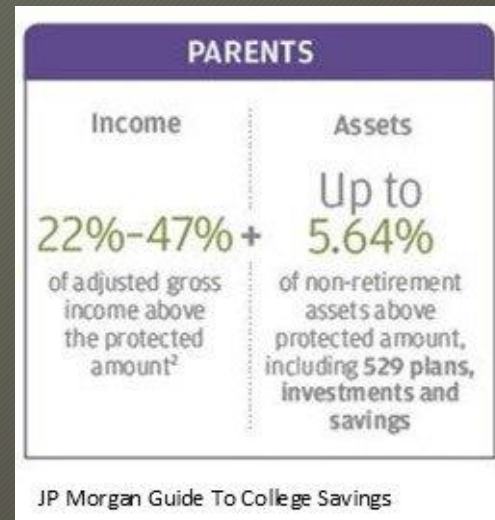


Key elements to FA eligibility

- Primary income
- Savings (both)
- Investments (both)
- Real estate (Not your Home)
- Household size is now called Family Size
 - Automatically determined by number of tax exemptions
 - Option to manually change the number
 - Best practice: have taxes available and always fill in the family in household number


Parent's assets

- Parent's income reported-
- Parent's assets reported (with exception of home value, and retirements savings)




Untaxed income exclusion

- In the past, contributions to retirement accounts would be added back in on FAFSA, that has been eliminated
- Load up those retirement accounts! 😊



401(k) Plan
[fɔr (ˈ)ō wən ˈkɑ ˈplæn]

A defined-contribution, tax-advantaged retirement savings plan that is sponsored by one's employer.

 Investopedia

Additional asset protection

- The Simplified Needs Test and Auto Zero EFC are simplified versions of the Free Application for Federal Student Aid (FAFSA) that are available to some low-income families:
- The income threshold is \$60,000 or less. For dependent students, this means their parents' combined AGI doesn't exceed \$60K

Saving for college

- 529 plans always count as a parent asset even if it's in child's name
- Other relatives?. Does not get listed on FAFSA



What counts and what does not! (based on 22/23 FAFSA info) ..

Counts!

- Brokerage accounts, certificates of deposit (CDs), stocks, bonds, mutual funds, money market accounts, commodities, precious metals, the vested portions of stock options and restricted stock units, exchange-traded funds (ETF), hedge funds, trust funds, private equity, and other investments.
- Real estate (other than the family's principal place of residence), real estate investment trusts (REIT), loans held, installment contracts, trust funds, private equity, and other investments.
- Uniform Gift to Minors Act (UGMA) and Uniform Transfer to Minors Act (UTMA) accounts, are reported as assets of the account owner (you, the student), not the custodian.
- College savings plans (529 college savings plans, prepaid tuition plans, and Coverdell education savings accounts) are reported as an asset of the account owner, not the beneficiary.

Does not!

- Qualified retirement plans such as 401(k) plans, 403(b) plans, pension plans, annuities, traditional IRAs, Roth IRAs, Keogh, SEP and SIMPLE plans.
- Life insurance policies, including cash value and whole life insurance policies.
- Personal possessions, such as clothing, furniture, books, cars, boats, computer equipment and software, television and stereo equipment, music collections, jewelry, coin, stamp, art, and wine collections.

How does Child support factor into FAFSA??

- Child support paid is included on the FAFSA

No longer treated as income, counts as a parent as

, starting in 2024-25, the parent who pays child support should include the amount of child support paid during the relevant 12-month period when determining which parent is the parent of record based on providing more than half of the student's support. For example, if the mother is paying the child support to the father, that child support counts as part of the mother's (not the father's) support for the child. If this child support, along with any other support provided for the child by the mother, adds up to more than 50 percent of the support of the child, then the mother is the parent of record on the FAFSA.set.

Who Qualifies as Independent on FAFSA?

- Students under 24 who are
 - On active duty or a veteran of the U.S. armed forces
 - Married or financially supporting their own child or other tax dependents
 - Orphans, youth who are/were in the foster care system or a ward of the court at any time since age 13
 - Emancipated minors (NYS does not emancipate)
 - In the care of a court-appointed legal guardian
 - Homeless, at risk of being homeless or an unaccompanied youth

Counselor Question: Parent Refusal

- What if a student's parent simply refuses to provide their information?
 - This is NOT considered a valid claim for independence
 - Students may submit the FAFSA indicating they cannot provide parent info
 - They are only eligible to receive an Unsubsidized Direct Stafford Loan

Principles of Need Analysis

- To the extent they are able, parents have primary responsibility to pay for their dependent children's education
- Students also have a responsibility to contribute to their educational costs
- Families should be evaluated in their present financial condition*****
- A family's ability to pay for educational costs must be evaluated in an equitable and consistent manner, recognizing that special circumstances can and do affect its ability to pay

Special Circumstances



- Change in employment status
- Medical expenses not covered by insurance
- Unusual dependent care expenses
- One time occurrence
- Natural Disaster

IRS-FSA Concept

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- Federal Student Aid (FSA) and the Internal Revenue Service (IRS) have developed a collaborative solution to simplify FAFSA completion.
- Integration to allow users' federal tax information to be retrieved and transferred directly into the FAFSA form via IRS direct data exchange, replacing the IRS Data Retrieval Tool
- Consent is needed, this is now required, not voluntary

Dependent Student's Parent Provides Consent

This page informs the parent about consent and their federal tax information. By providing consent, the parent's federal tax information is transferred directly into the FAFSA® form from the IRS to help complete the Parent Financials section. The parent selects "Approve" to provide consent and is taken to the next page.

The screenshot shows the FAFSA 2024-25 interface for the parent of Raya Tran. The page title is "Provide Consent or the Student Will Be Ineligible for Federal Student Aid". A green-bordered box contains a "Summary" section with the following text: "Your consent is needed to retrieve and disclose federal tax information (FTI). With your consent, we can obtain tax return information automatically from the IRS to help you complete your section of the student's FAFSA® form. If you don't provide consent, the student will not be eligible for federal student aid, including grants and loans. You must provide consent even if you didn't file a U.S. federal tax return or any tax return at all." Below this are three bullet points: "Get your 2022 tax return information for the 2024-25 FAFSA form.", "Tax return information is required to complete the FAFSA form.", and "FTI is used to determine the student's eligibility for federal student aid." Below the summary is a certification statement: "Under penalty of law, I certify that I am the individual associated with the FSA ID log-in credentials used to access the FAFSA form to provide the necessary approval and consent for the disclosure and use of my federal tax information (FTI) from the U.S. Department of the Treasury. By accepting below, I approve and consent to:" followed by a list of five consent items regarding the disclosure and use of the parent's FTI for federal student aid purposes.

FAFSA® FORM 2024-25 Parent of Raya Tran Save FAFSA Menu

Provide Consent or the Student Will Be Ineligible for Federal Student Aid

Summary

Your consent is needed to retrieve and disclose federal tax information (FTI). With your consent, we can obtain tax return information automatically from the IRS to help you complete your section of the student's FAFSA® form. If you don't provide consent, the student will not be eligible for federal student aid, including grants and loans. You must provide consent even if you didn't file a U.S. federal tax return or any tax return at all.

- Get your 2022 tax return information for the 2024-25 FAFSA form.
- Tax return information is required to complete the FAFSA form.
- FTI is used to determine the student's eligibility for federal student aid.

Under penalty of law, I certify that I am the individual associated with the FSA ID log-in credentials used to access the FAFSA form to provide the necessary approval and consent for the disclosure and use of my federal tax information (FTI) from the U.S. Department of the Treasury. By accepting below, I approve and consent to:

- The U.S. Department of Education to disclose my Social Security number, last name, and date of birth to the U.S. Department of the Treasury in order to obtain my FTI only for the purpose of determining the eligibility for, and the amount of, federal student aid for myself or of others for which I participated and shared my FTI by a program authorized under subpart 1 of Part A, Part C, or Part D of Title IV of the *Higher Education Act of 1965*, as amended.
- The use of my FTI by U.S. Department of Education officials and contractors (as defined in 26 U.S.C. § 6103(i)(13)), only for the purpose of determining the eligibility for, and amount of, federal student aid for myself or of others for which I participated and shared my FTI by a program authorized under Title IV of the *Higher Education Act of 1965*, as amended.
- The U.S. Department of Education to redisclose my FTI received from the U.S. Department of the Treasury, pursuant to 26 U.S.C 6103(i)(13)(D)(iii), which includes:
 - institutions of higher education participating in the federal student aid programs authorized under the *Higher Education Act of 1965*, as amended;
 - state higher education agencies; and
 - scholarship organizations designated prior to Dec. 19, 2019, by the Secretary of Education.
- The use of my FTI for the application, award, and administration of student aid awarded by the federal government, institutions of higher education, state higher education agencies, and designated scholarship organizations.
- The redisclosure of my FTI to any future 2024-25 FAFSA forms for which I elect to participate (e.g., if I elect to participate in my child's FAFSA form or to complete my own FAFSA form after participating in another FAFSA form). My FTI will be redisclosed to these additional applications upon my affirmation to participate. I understand that I may decline an invitation to participate, which will prevent the transfer of my FTI to that FAFSA form.

How Financial Need is Determined

Cost of Attendance

- Student Aid Index (formally EFC)
- = Financial Need



Tuition and Fees
Books and Supplies

Room and Board

Transportation

+ Miscellaneous Expenses

= Cost of Attendance

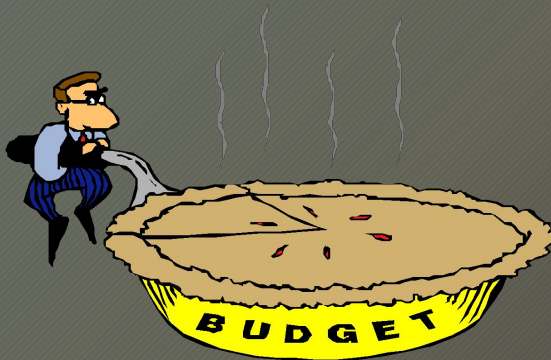
Student Aid Index

Parent's Contribution from Income

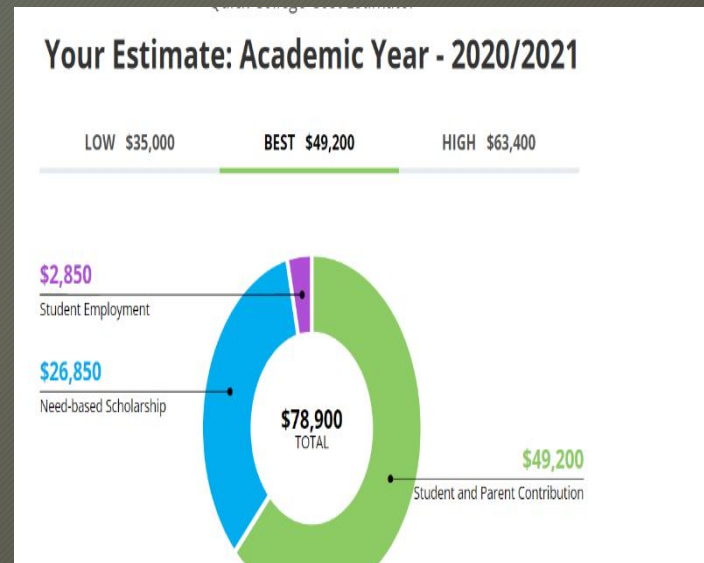
Parent's Contribution from Assets

Student's Contribution from
Income

Student's Contribution from Assets



Sample Aid offer



Sample award package

- ABC university (private)
- COA= 50,000
- SAI = 25,000
- FN= 25,000
- DEF university (public)
- COA = 25,000
- SAI= 25,000
- FN= 0
- You could be eligible for need based aid at one college but not another

Who's data on the FAFSA

- Scenario 1
- Student
- Mom
- Dad

- Scenario 2
- Student lives with Mom (Mom is divorced from Birth Father
- **Which ever parent provides the most support to the child.**
- **It does not matter where child lives**

Example for Re-married parents

- If Dad pays Mom 20K in Child support towards Child. If the 20K is “more than half support for child” then DAD is parent of record on FAFSA - If Mom is remarried, No Income from Mom or Stepparent is required.



Whos info on FAFSA

- Effective for 24/25 :For divorced or separated parents, income and assets are reported for the parent who provides the most financial support over the 12 months prior to filing the FAFSA even if the student does not live with that parent or lives with the other parent. The parent of record is self-reported on the FAFSA by the student/parent, and unless there is conflicting information, there is no requirement for the school to verify or otherwise confirm which parent provides the greater portion of support or if the correct parent is reported on the FAFSA.

Who's info on FAFSA (con't)

- **1) Parents who live together**
Parental income and assets in the case of student whose parents are married and not separated, or who are unmarried but live together, shall include the income and assets of both parents.
- **(2) Divorced or separated parents**
Parental income and assets for a student whose parents are divorced or separated, but not remarried, is determined by including only the income and assets of the parent who provides the greater portion of the student's financial support.
- **(3) Death of a parent**
Parental income and assets in the case of the death of any parent is determined as follows:
(A) If either of the parents has died, the surviving parent shall be considered a single parent, until that parent has remarried.
(B) If both parents have died, the student shall not report any parental income or assets.
- **(4) Remarried parents**
If a parent whose income and assets are taken into account under paragraph (2), or if a parent who is a widow or widower and whose income is taken into account under paragraph (3), has remarried, the income of that parent's spouse shall be included in determining the parent's assessment of adjusted available income if the student's parent and the stepparent are married as of the date of application for the award year concerned.
- **(5) Single parent who is not divorced or separated**
Parental income and assets in the case of a student whose parent is not described in paragraph (1) and is a single parent who is not divorced, separated, or remarried, shall include the income and assets of such single parent."

Who's data on FAFSA?

- Scenario 3
 - Student lives with Dad (dad is divorced from birth Mom)
 - Which ever parent provides most support to the child.
- Scenario 4
 - Student lives with Mom and Mom is remarried
 - Student, Mom and StepDad..

Who is a Parent on the FAFSA

- Who IS a parent?

- Biological Parent
- Adoptive Parent
- Stepparent who is married to and residing with a custodial parent

- Who is NOT a parent?

- Other relatives (grandparents, older siblings, aunts/uncles)
- Foster parents
- Court-appointed legal guardians
- Former stepparents (widowed/divorced)

CSS PROFILE

- The PROFILE form is administered by the College Scholarship Service (CSS), the financial aid division of the College Board. The CSS PROFILE is required by many private colleges and universities to determine your eligibility for *non-government* financial aid, such as the institution's own grants, loans, and scholarships.
- Will launch Oct 1st (no change)
- Available at cssprofile.collegeboard.org
- Initial application fee of \$25 and additional reports are \$16
- Waivers available if:
 - Student used an SAT fee waiver
 - Parental income reported approximately \$45,000 or less
 - Student is an orphan or ward of the court under age 24

CSS PROFILE

- Private Institutions
- Money reserved for need-based aid (Many bridge entire gap)
- Distribute funds to those students with true demonstrated need
- Helps ensure aid is awarded fairly
- Higher cost to attend

Differences between the CSS PROFILE and the FAFSA

- **Specific questions:** The CSS PROFILE contains questions specific to the school or program you're applying to; FAFSA contains the same questions for everyone.
- **Non-Custodial Parent:** The CSS PROFILE collects data separately for the non-custodial parent to determine a contribution. Optional for each school.
- **Different methodology:** The CSS PROFILE determines your financial need differently than the FAFSA, considering such factors as whether your family owns a home. In general, the CSS PROFILE asks more detailed information than FAFSA.
- **Minimum student contribution:** The CSS PROFILE requires this; the FAFSA doesn't.

What should I expect after I file??

- Student files FAFSA
- Student and FA office rec'd data
- FA office reviews data
- FA office sends student "offer" letter
- Student needs to respond to accept or decline
- In certain instances, colleges may require financial documents to process aid



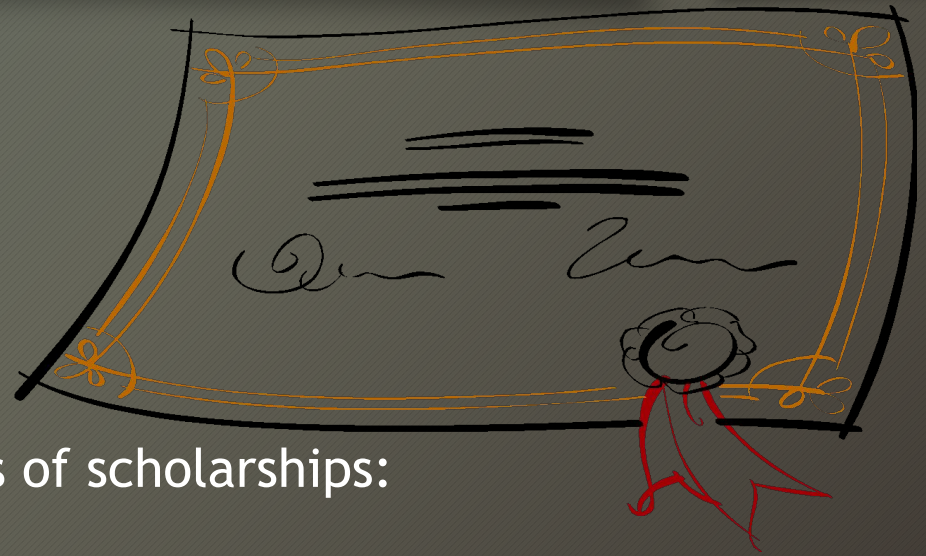
Show me the Money



What Makes Up a FA offer

- Federal Grants
- State Grants
- Institutional Grants and Scholarships
- Federal Loans
- Federal Work-Study
- Outside Scholarships
- Private/Alternative Loans

Types of Scholarships



Consider all types of scholarships:

Academic merit

Athletic ability

Field of study

Ethnic background

Religious affiliation

Special interests

Private Sources

- Foundations, businesses, charitable organizations
- Deadlines and application procedures vary widely
- Begin researching private aid sources early
- The Internet www.fastweb.com
- www.salliemae.com/plan-for-college

Outside scholarship : Sure signs it's a scam!

- “I just need your credit card number”
 - “Please enclose a \$5 processing fee”
 - “You’ve been selected” by a group you never heard of
 - “You’re a finalist” in a contest you never entered



Pell Grants

- Pell is an entitlement
- Based on need
- Max award for the 22/23 is \$6895
- Does not run out
- Deadline June 30th or last day of enrollment

SEOG

- Federal Grant
- Based on need
- Up to 4,000 per year
- Limited Fund (it can run out)

Institutional Grants

- Academic Based Scholarships
- Talent Based Scholarships (Athletic, Music, etc)
- Need Based Grants/Scholarship

TAP

- State Grant
- Based on net taxable income (less than 80k)
- Full time/Part-Time enrollment status
- Student can receive TAP for 8 semesters then he or she could be considered **TAPped Out** (you like that one...I just made it up..)
- May 1st deadline (APPLY VIA LINK AFTER FAFSA OR DIRECT AT WWW.TAPWEB.ORG)

William D Ford Direct loans

Subsidized

- 5.50 fixed (2023/24)
- Based on need
- Federal government pays interest while student is in school
- \$3,500 for Freshman

Unsubsidized

- 5.50 fixed interest
- Not based on need
- Student is responsible for interest while in school
- \$5,500 for Freshman
- *If Freshman is eligible for \$3500 subsidized, they can also get \$2000 in unsub- total of \$5500

Direct Plus Loan for Parents

For parents of dependent students

- Borrow up to entire cost of college less financial aid
- No adverse credit (parent must pass credit check)if you are denied...student can borrow additional unsub direct loan for \$4K
- Interest rate 8.05%

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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Financial Aid Toolkit

- Learn About Financial Aid ▾
- Conduct Outreach ▾
- Get Training ▾
- Search Financial Aid Tools and Resources

Help students and parents prepare for college or career school.

The Financial Aid Toolkit provides federal student aid information and outreach tools for counselors, college access professionals, nonprofit mentors, and others.



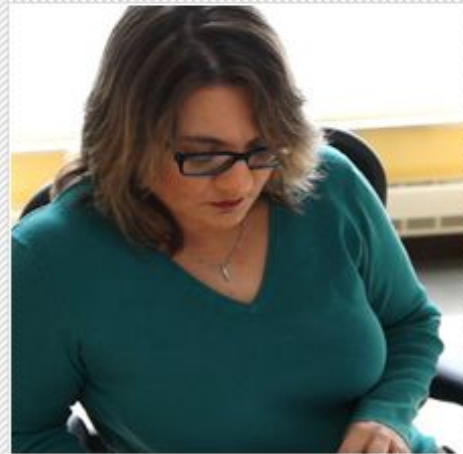
LEARN ABOUT FINANCIAL AID



CONDUCT OUTREACH



GET TRAINING



SEARCH TOOLS AND RESOURCES



WHY
GO

YOUR HIGH
SCHOOL PLAN

EXPLORE
CAREERS

FIND YOUR
COLLEGE

WAYS
TO PAY

TAKE CHARGE
OF YOUR MONEY

STEPS TO
SUCCESS

READY, SET, COLLEGE.

Simple Steps to
get you to college.

YOU
CAN DO IT

In The Spotlight

- Find College Fairs in Your Area
- Make the Most of Your College Fair
- Touring Colleges Soon? Bring along our Campus Tour Checklist
- Help Your Students Prepare for the College Application Process

Are you thinking about going to college, but don't know where to start and have a million questions?

This website will take you through the journey step by step to get you where you want to be -- COLLEGE.

See How They Got There



jenny



eno

Questions?

