



"HOW MUCH WILL COLLEGE COST?" "HOW WILL I PAY FOR IT?"
SOME ANSWERS TO YOUR QUESTIONS!

 **N·A·S·F·A·A**
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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HELPFUL FINANCIAL AID HINTS...

- ✓ Ask the school to send you a school catalog and financial aid information or visit the school's Web site. Read the information carefully to find out about cost of attendance and other important information.
- ✓ Contact the school's financial aid administrator if you have financial aid questions that are left unanswered by the catalog or Web site. There is no charge for the financial aid office's services.

- ✓ Complete all paperwork carefully. Read and follow all instructions.
- ✓ Know each school's deadline dates and meet them so you don't miss out on aid awarded on a first-come, first-served basis.
- ✓ Answer any letters or mail you receive right away. Otherwise, you might miss a deadline.
- ✓ Keep copies of everything, including forms you use to apply for financial aid, and any communications you receive or send that are related to your aid application at each school.
- ✓ Reapply for financial aid by the deadline each year to maintain aid eligibility.

BEGIN HERE...

College is by far the best investment you can make in your future. However, getting a college education is also a challenge and it can be expensive. Fortunately, a lot of people are out there to help you succeed. For example, the federal government gives out billions of dollars every year to help students like you pay for college.



WHAT IS FINANCIAL AID?

Financial aid is money given to students and families to help them pay for college. Getting all the financial aid you are eligible for can be tricky because there are so many different sources of money, such as the federal government, state governments, colleges, companies, and nonprofit organizations. Financial aid offices on college campuses know about all these sources and can help you find and apply for this financial aid.

The best kind of financial aid is grants and scholarships, which don't have to be repaid. Other types of financial aid, like loans and work-study, require students to repay the money, or to work part time. Financial aid is also given to some students for completing community or military service.

The federal government also provides tax benefits for students and families paying for college. Education tax credits, like the American Opportunity Credit and the Lifetime Learning Tax Credit, provide additional financial assistance for families paying for college. However, this money is only available after a student or family has paid tuition and filed taxes.

QUICK FACT

College graduates earn an average of \$800,000 more than high-school graduates during their careers.

PAYING FOR COLLEGE

Many students and families miss out on college because they assume they can't afford it. While college can be expensive, don't assume you can't pay for it until you know the facts. Here are a few things you should consider:

- The cost of college can vary greatly. It's true some colleges are expensive, but many others are relatively inexpensive. Do some research and find the college that's right for you.
- Financial aid can significantly reduce the cost of college. Don't be discouraged by the cost of college until you know how much financial aid you can get.
- Consider how much you can earn with a college degree. In most cases, the size of your future paychecks will make the cost of college seem affordable.

Students and families pay for college in many different ways, but almost all can receive some kind of financial aid.

You can find detailed information about education tax benefits at www.NASFAA.org/TaxBenefits.asp. You may also want to check with your tax advisor.

HOW DO I GET FINANCIAL AID?

Start by filling out the Free Application for Federal Student Aid, also known as the FAFSA. The FAFSA is used to determine your eligibility for federal financial aid, and most colleges and states also use this application to give out additional financial aid.

WHERE DO I GET A FAFSA?

The FAFSA is available online and in paper format, but the U.S. Department of Education encourages students to use FAFSA on the Web, the online version, which you can find at www.fafsa.ed.gov. FAFSA on the Web will point out errors you make so you can correct them before submitting the application, and then it allows you to submit the application instantly.

If you need to use the paper version, you can also download and print a PDF version from federalstudentaid.ed.gov/fafsa_options.html#pdf, or call 1-800-4-FED-AID to request that a paper FAFSA be mailed to you. Remember, the FAFSA is always free. No matter how you choose to apply, you should never pay a fee to apply for federal financial aid.

HOW DO I COMPLETE THE FAFSA?

The FAFSA asks questions about you and your family's income and financial resources to ensure aid is given to those who need it the most. Most of the information you need to complete the FAFSA is on the income tax return, if one is filed.

Having the following information and forms on hand will help you fill out the FAFSA:

- Your Social Security Number (can be found on Social Security card)
- Your driver's license (if any)

QUICK FACT

Undergraduate students received an average of \$10,185 in aid, including \$5,041 in grant aid and \$4,585 in federal loans in 2008-09.

- W-2 Forms for the previous year and other records of any money earned
- Your (and/or your parents') most recent Federal Income Tax Return (if any) — IRS Form 1040, 1040A, 1040EZ, foreign tax return, or tax return for Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federated States of Micronesia
- Any untaxed income records for the previous year — e.g., payments to tax-deferred pension and savings plans, tax-exempt interest, and child support received
- Any current bank statements
- Any current business and investment mortgage information, business and farm records, stock, bond, and other investment records
- Documentation that you are a U.S. permanent resident or other eligible noncitizen, if applicable

The FAFSA can be a complicated application, but the financial aid money you could receive makes it worth the time and effort. It is very important to answer questions truthfully and correctly and to follow all of the instructions. If you don't, it will delay the processing of your application. If you have questions about the application, contact the financial aid office at the local college or the college you want to attend. They can help you to get free help filling out the FAFSA.

QUICK FACT

More than \$180 billion in student aid was given to students in 2008-09.



DEADLINES ARE IMPORTANT!

Just like homework, you have to do your financial aid forms correctly and turn them in on time. Different types of financial aid have different deadlines. Because the FAFSA is the foundation of many student aid programs, fill out and submit your FAFSA as soon as possible after Jan. 1 every year. Also check with the school about deadlines for state and school-based aid. Many types of financial aid are given on a first-come, first-served basis, so delays could hurt you.

AFTER COMPLETING THE FAFSA

Submit the FAFSA according to instructions provided and keep a copy for your records. The federal Department of Education uses your FAFSA information to create a Student Aid Report (SAR), which is sent to you and any school you list on the FAFSA.

If you include an e-mail address on your FAFSA, you will receive an e-mail that contains a secure link to your SAR information on the Web. It may be printed and any corrections to the data can be made directly online.

If you do not provide an e-mail address, you will receive a paper SAR or SAR Acknowledgement. Review all the information on the SAR or SAR Acknowledgement to ensure it is correct. If any information is wrong, call each school immediately and make corrections as directed.

More than \$76.4 billion in grant aid was given to undergraduate and graduate students in 2008-09

The Department of Education will also send you a Federal Student Aid personal identification number (FSA PIN). The FSA PIN serves as an electronic signature and gives you access your personal information in various U.S. Department of Education systems. If you do not receive an FSA PIN from the Department, you can apply for one at www.pin.ed.gov. Parents may also apply for an FSA PIN so they can electronically sign their part of a student's FAFSA on the Web.

HOW MUCH MONEY WILL I GET?

The amount of financial aid you will receive is based on a number of factors and will likely differ depending on the college you attend. Generally, federal financial aid is given to students and families who need it the most. This is determined by two factors: Cost of Attendance (COA) and Expected Family Contribution (EFC).

COST OF ATTENDANCE

Your Cost of Attendance includes all the costs related to earning a college degree, such as tuition, fees, living expenses, transportation, health insurance, and books and supplies. Depending on your circumstances, you may have additional expenses like child care or disability-related expenses. Because some colleges are more expensive than others and it is more expensive to live in some parts of the country, the Cost of Attendance usually varies from school to school. Cost of Attendance can also vary for different students at the same school.

Generally, the more expensive a school is, the more financial aid you may need to make ends meet. A high Cost of Attendance may not be a problem as long as you can find the financial aid and resources to pay for it. Make sure you know what items are included in the Cost of Attendance, and compare the figures with your own estimates.

EXPECTED FAMILY CONTRIBUTION

The U.S. Department of Education uses your FAFSA to determine what you and your family are expected to contribute to the cost of your college education, known as your Expected Family Contribution, or EFC. This amount generally stays the same from school to school.



The EFC refers to how much a family is expected to contribute to all costs relating to education, not just those paid to the college, such as rent, transportation, food, other living expenses, text books, and more.

FINANCIAL NEED

Your financial need is calculated by subtracting your EFC from the Cost of Attendance. Your financial need sets the maximum amount you can receive in need-based student aid. This amount will change depending on each school's Cost of Attendance.

COMPARING AID PACKAGES

If you complete the FAFSA, colleges you designate that have accepted you will send you a financial aid award letter, notice, or link to a secure Web address that lists the types and amounts of aid you will get if you attend that school. Usually this aid package is a combination of different types of financial aid, including scholarships, grants, loans, and work-study.

The types and amounts of aid you are offered will vary from school to school, depending on each school's Cost of Attendance, available funds, and number of aid applicants, as well as other factors. Schools might ask you to formally accept or decline your award offer, usually by a specific date. If you apply for financial aid at more than one school, you may receive several different aid packages. Take a close look at the offers and compare the Cost of Attendance, the EFC, and the following factors:

QUICK FACT

More than 6 million students received a Pell Grant in the 2008-09 school year.



- **The total financial aid package:** Remember, unlike loans and work-study, grants and scholarships are “gifts” so you do not generally have to repay or work for them. Compare the total gift aid (grants and scholarships) to the Cost of Attendance. A high proportion of gift aid in the package may mean you will not have to borrow or work as much to meet your expenses. If you need to borrow, remember that the terms and conditions of education loans can vary. Make sure you understand the terms and the costs (i.e., interest rate, loan fees, and repayment schedule) of each loan you are offered. Remember that you can accept or decline parts of your aid package.
- **Restrictions or conditions of the award:** Look carefully at the things you must do to receive and keep your financial aid, including maintaining a specific grade point average or completing a certain number of courses.
- **Unmet financial need:** Not all schools have enough money to cover all of their students' financial needs. If your aid package does not cover all your financial need, you will have to come up with the difference. This may mean looking for additional scholarships, working part time in addition to Federal Work-Study aid, cutting back living expenses, or – if you've exhausted all other options – you may consider additional student loans.
- **Loans:** Remember that most student loans must be repaid with interest. Unlike other types of loans, student loans are very difficult to discharge in bankruptcy so it is important to repay these loans. Before borrowing a loan, make sure you feel comfortable repaying the total cost of the loan and the monthly bill. The federal government offers student loans with many benefits, including low interest rates, flexible repayment plans, and loan forgiveness. Make sure you exhaust your federal loan options before turning to more expensive private loans.
- **The bottom line:** The total amount of aid in your package is not necessarily the most important figure. Consider the whole package, starting with the Cost of Attendance. Subtract the financial aid offer from the Cost of Attendance to see exactly how much you and your family will have to pay, then decide what you can afford. Remember that the largest aid offer may not be the least expensive option. This is because the Cost of Attendance, the schools' available funds, and the amount of gift aid in each financial aid package may vary.

NEED-BASED AND MERIT-BASED AID

Two factors are usually used to determine who gets financial aid: need and merit.

- Need-based financial aid is given to students and families who have less money. To get virtually any kind of need-based aid, students and families must generally demonstrate financial need by filling out the FAFSA.
- Merit-based financial aid is given to students who do something exceptionally well, like music, athletics, or academics. Merit-based aid is also given to students who plan to have a career in an area that will benefit the community or the country, like teaching, science, math, and engineering.

In addition to federal student aid, most state governments and colleges offer a variety of financial aid based on many different factors, including grades, career path, academic major, and more. The financial aid office at the college can tell you about any additional need-based aid that you may be eligible to receive.

WHAT AID IS NOT NEED-BASED?

The federal government also provides grants and loans regardless of a student or family's ability to pay for college. These include:

Federal grant program:

- Teacher Education Assistance for College and Higher Education (TEACH) Grants

QUICK FACT

The maximum Pell Grant is \$5,350 for the 2009-10 school year.



WHAT KINDS OF NEED-BASED AID ARE AVAILABLE?

The federal Department of Education gives out the most need-based financial aid. There are three kinds of federal need-based aid: grants, loans, and work-study.

Federal grant programs:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)

Federal loan programs:

- Federal Perkins Loan
- Direct Subsidized Stafford Loans

Work-study program:

- Federal Work-Study

For more information about these programs, visit: studentaid.ed.gov or phone 1-800-4-FED-AID to get a copy of U.S. Department of Education's *Funding Education Beyond High School: The Guide to Federal Student Aid*.

Federal loan programs:

- Direct Unsubsidized Stafford Loans
- Direct PLUS loans for parents of dependent students
- Direct PLUS loans for graduate or professional students

As with need-based aid, you can learn more information about non-need based federal aid at studentaid.ed.gov or 1-800-4-FED-AID.

WHAT IF I DON'T GET ENOUGH AID?

If you feel your package is not enough to allow you to go to school, contact the financial aid administrator at your school to ask about other options. You may have special circumstances that were not considered when your eligibility for aid was determined. The financial aid administrator can also recommend other funding sources which are not based on need, such as Direct PLUS Loans, Direct Unsubsidized Stafford Loans, monthly payment plans, or merit-based aid.



HOW DO I APPLY FOR PRIVATE SCHOLARSHIPS?

In addition to applying for federal, institutional, and state-based financial aid, take charge of financing your education by beginning your own private scholarship search. Private scholarships generally take the form of grants or low- or no-interest loans. Despite the term "scholarship," many are not related to academic ability, but rather on other factors as diverse as family background, hobbies, major course of study, etc. You can search for scholarships on the Internet and in the library. A few of the many free scholarship search databases available online include:

- U.S. Department of Education Financial Aid and Scholarship Wizard: studentaid2.ed.gov/getmoney/fin_aid_wizard/
- The College Board: apps.collegeboard.com/cbsearch_ss/welcome.jsp
- FastWeb: www.fastweb.com
- State Financial Aid Resources: going2college.org

Some scholarship search groups will charge you a fee for their services. Before paying a fee, remember that you can usually find everything you need on the Internet for free! If you still want to consider the services of an agency, ask the financial aid office if the agency is reliable and has a good reputation.

WHERE CAN I GET MORE INFORMATION?

When you have questions about student aid, contact a financial aid administrator at the schools you are considering. Look for the school's website on the Internet. Most schools provide information electronically to prospective students and their families. If you are in high school, you may want to contact your high school counselor.

The Internet is also a great place to look for information. NASFAA's website (www.StudentAid.org) offers information for students and parents. This site helps you understand both the academic and financial aid issues related to education after high school. It also contains helpful worksheets and easy-to-understand guides, including a calendar checklist for grades 8 - 12, to help you prepare for college.

WHAT DO FINANCIAL AID ADMINISTRATORS DO?

Every school with a financial aid program employs a financial aid administrator to be responsible for the entire aid process at that school.

The financial aid administrator is a professional, available to help you and your family complete financial aid forms, answer questions, calculate your Cost of Attendance, and determine your financial need. To do this, your financial aid administrator may ask for documents describing your family's financial condition, such as U.S. income tax returns. If you can show that you have need, your financial aid administrator will try to award you enough aid to meet that need.

QUICK FACT

The federal government spent more than \$25 billion to provide more than 7 million students with an average \$3,611 in Pell Grants in the 2009-10 school year.

Financial aid administrators are your best source of information about financial aid programs and application procedures. Don't hesitate to call with your questions. They are there to help you and your family and their help is always free.

You should contact your financial aid administrator if your family's situation changes after you have completed the FAFSA. Under special circumstances, it may be possible to recalculate your EFC.

ABOUT FINANCIAL AID CONSULTANTS...

A financial aid consultant is different from a financial aid administrator. Financial aid consultants will usually charge a fee based on the services provided and the student's particular needs. A financial aid administrator will perform many of these same services for free. Before considering a consultant, first speak to a financial aid administrator. Even if you are planning to attend another school, you can still contact a local financial aid office for information.

Before you hire a consultant, be sure to request a list of professional references from the consultant and contact those references. If you decide to use the services of a consultant, remember the following:

- The consultant's fee should be refundable if the application is completed incorrectly.
- Never agree to a fee based on the percentage of aid received. A financial aid consultant cannot guarantee you will receive gift aid. Certain scholarships and grants awarded by schools are discretionary funds that may or may not be awarded to every student each year.
- If the consultant prepares the FAFSA for you, he or she should sign the FAFSA as a preparer.
- Never sign a blank form. You and your parents should always review and sign the FAFSA after it has been prepared, and you should submit it to the FAFSA processor yourselves. You are legally responsible for the information contained on it. As with all important documents, you should keep copies of the FAFSA and other applications for your files, even if someone has helped you with their preparation.

To view NASFAA's fact sheet on financial aid consultants and search services, go to: www.nasfaa.org/consultants.asp



YOUR FUTURE . . .

Whatever your goals are, your education is the best investment you can make in yourself, and you deserve the best. Important investments generally take money, time, and effort; they may also involve some risk. Fortunately, when it comes to investing in education, the payoff far outweighs the risk, and you can minimize the risk and cost by utilizing federal, state, and institutional financial aid. However, you must still invest the time and effort to reach your goals.

Good luck

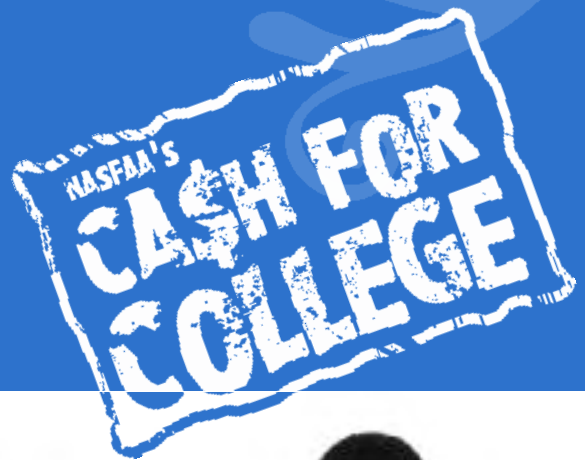
FINANCIAL AID CHECKLIST

This checklist will help you keep track of important information and dates in the financial aid application process. It's a good idea to keep copies of everything and to keep a folder of all records for each school to which you apply.

	School 1	School 2	School 3
Name of school			
Date school catalog requested or Web site accessed			
Deadline for admission			
Date admission application sent			
School's deadline for FAFSA			
Date FAFSA electronically submitted or mailed			
Date other financial aid forms and documents sent			
Date all parts of SAR sent to school you selected, if required			

DATES YOU RECEIVED AND RESPONDED TO INQUIRIES FROM:

FAFSA Application Processor			
School			
Other Agencies			
Date you received award letter			
Date you accepted/declined and returned award offer to school			



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*This brochure was prepared by the
National Association of Student Financial Aid Administrators
1101 Connecticut Ave. NW, Suite 1100, Washington, DC 20036
www.nasfaa.org | www.studentaid.org*

Updated by NASFAA September 2010.

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