



Financial Aid: What You Need to Know

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Student Financial Aid



Goals of Financial Aid

Primary goal is to assist students in paying for college & is achieved by:

- Evaluating families' ability to pay educational costs
- Distributing limited resources in an equitable manner
- Providing balance of gift aid & self-help aid



Types of Aid Available

- Gift aid
 - This is aid that typically does not need to be paid back
 - Scholarships = merit-based funds
 - Grants = need-based funds
- Self-help aid
 - Aid in which the individual takes responsibility for receiving
 - Work = aid earned through employment
 - Loans = borrowed monies that need to be repaid (usually after graduation)



Types of Need Based Aid

- Federal Pell Grant & Federal Supplemental Educational Opportunity Grant
 - (Pell-\$6,465; FSEOG-\$1,200; maximum figures)
- Ohio College Opportunity Grant (OCOG)
 - State of Ohio grant (\$2,000)*
- Federal Work Study (FWS)
 - Federal work program
 - Can be on or off-campus
- Institutional grants—vary by school
 - (University Need Grant, \$300-3,200)*
 - (UC Supplemental Grant, \$1,200)*



Federal Work Study (FWS)

- Eligible qualifying students (first come first serve aid and have an EFC of 7000 or lower)
- Employment may be on or off campus
- Eligible employers:
 - Schools
 - Federal, state, or local public agencies
 - Certain private nonprofit and for-profit organization

Please note- this is still like an actual job. There will be an application process and interview.

Here is the link:

<https://jobs.uc.edu/go/View-All-Student-Opportunities/920500/>



Federal Loans

- Federal Direct Subsidized Loan
 - Repayment begins six months after enrollment drops below half-time
- Federal Direct Unsubsidized Loan
 - Repayment begins six months after enrollment drops below half-time
- Federal Direct Parent PLUS Loan
 - Repayment begins 60 days after loan is fully disbursed
- Everyone that completes the FAFSA is eligible for federal loan money, regardless of their financial “need”



Federal Loans Interest and Fees

- All Federal Loans have a fixed interest rate
 - Federal Government sets interest rate for each academic year
 - Current academic year rates:
 - 2.75% Undergraduate Federal Direct Subsidized and Unsubsidized Loans
 - 5.30% Federal Direct Parent PLUS Loan
- All Federal Loans charge an origination fee
 - Fee is removed from the loan before it reaches the university and is set by the Federal Government each year
 - Current academic year rates:
 - 1.057% Undergraduate Federal Direct Subsidized and Unsubsidized Loans
 - 4.228% Federal Direct Parent PLUS Loan

Federal Student Aid

General Eligibility Criteria

- Must be pursuing degree, certificate, or other recognized credential
- U.S. citizen or eligible non-citizen
- Have valid Social Security Number
- Registered with Selective Service
(**required for males**)
- Parents: May not be in default or owe an overpayment on a federal student loan

Free Application for Federal Student Aid (FAFSA)

- Complete online at www.fafsa.ed.gov
 - Completion is FREE; avoid being charged a fee to file
- Submit ASAP - available October 1st
- FAFSA not required for consideration for **most** scholarships
- Most need-based aid awarded on “first-come, first-serve” basis (especially **GRANTS!**)
- To ensure maximum aid consideration, check with school to determine:
 - Required application materials
 - Application deadlines

Federal Student Aid ID (FSA-ID)

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

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Create a New FSA ID

An FSA ID is a username and password that gives you access to Federal Student Aid's online systems and can serve as your legal signature.

Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member.

You are not allowed to have an employee or agent of a commercial entity, or other third party, create an FSA ID for you for any purposes including but not limited to: payment reductions, debt consolidation or applying for aid. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

Important: When you are done, select the CANCEL button to clear your data even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.

Create an FSA ID

Manage My FSA ID

Create your FSA ID username and password below.

Username

?

Password

?

✓ Numbers ✓ Uppercase Letters ✓ Lowercase Letters ✓ 8-30 Characters ☐ Show Text

Confirm Password

?

CONTINUE >

- Generate online at <https://fsaid.ed.gov>
- Can request & create FSA-ID prior to October 1st



FSA ID (Continued)

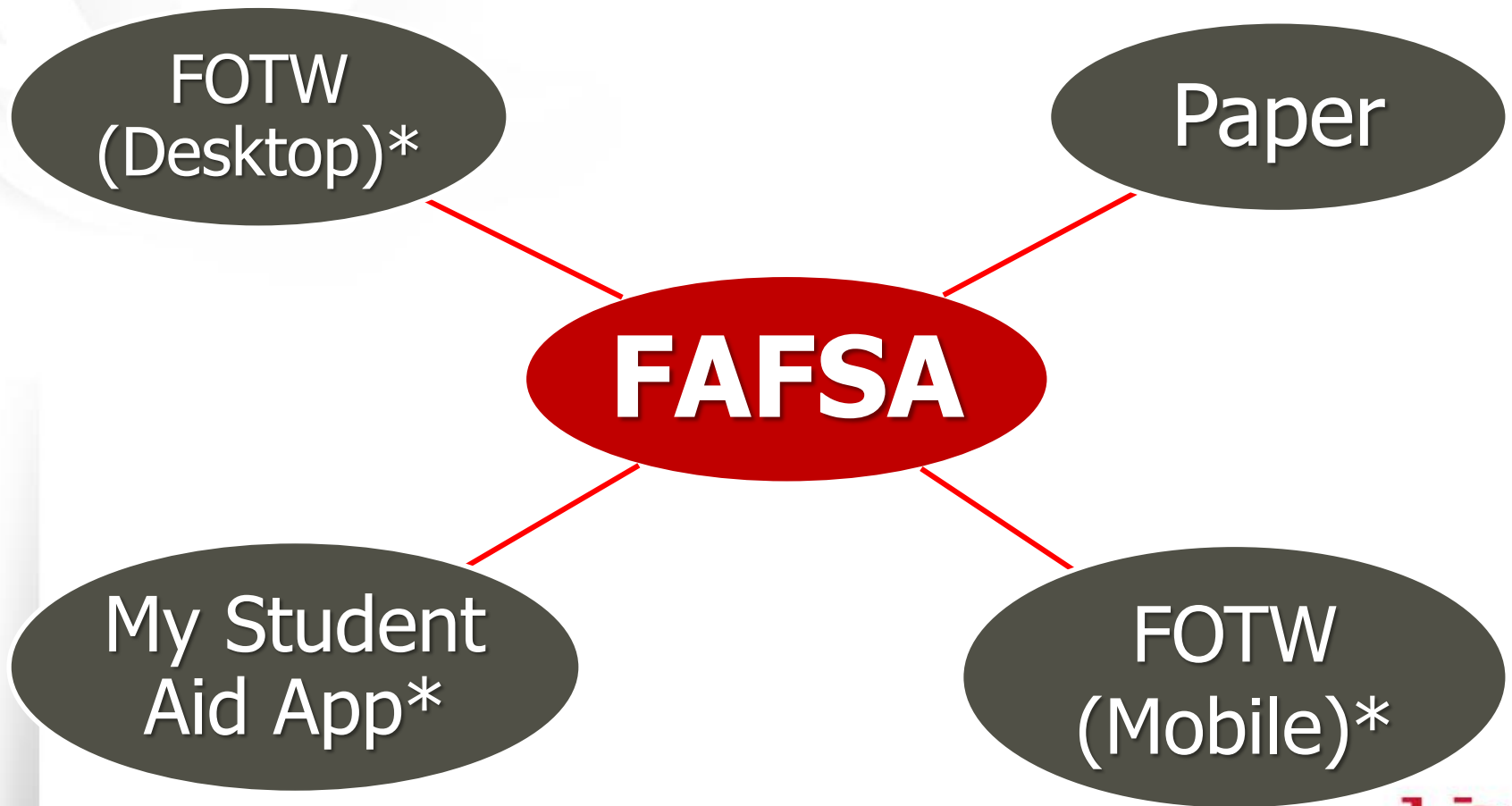
- The FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.
- The student and parent will each need their own individual FSA IDs.
 - The parent and student **MAY NOT** use the same cell phone number, nor email address.
 - Don't use a HS email address because it will likely be deleted after graduation.
 - Verify your email address.
- Students/parents may now enter a verified phone number that may be used to retrieve usernames and create a new password via text.

2022-2023 FAFSA

Required Completion Materials

- Student Demographic Information
 - (Full legal name, SSN, home address, DoB, etc.)
- Student **2020** Federal Tax Return Information
 - (if required to file; or relevant income info)
- Parent(s) Demographic Information
 - (Full legal name, SSN, home address, DoB, etc.)
- Parent(s) **2020** Federal Tax Return Information
 - (if required to file; or relevant income info)

Multiple Ways to Complete the FAFSA

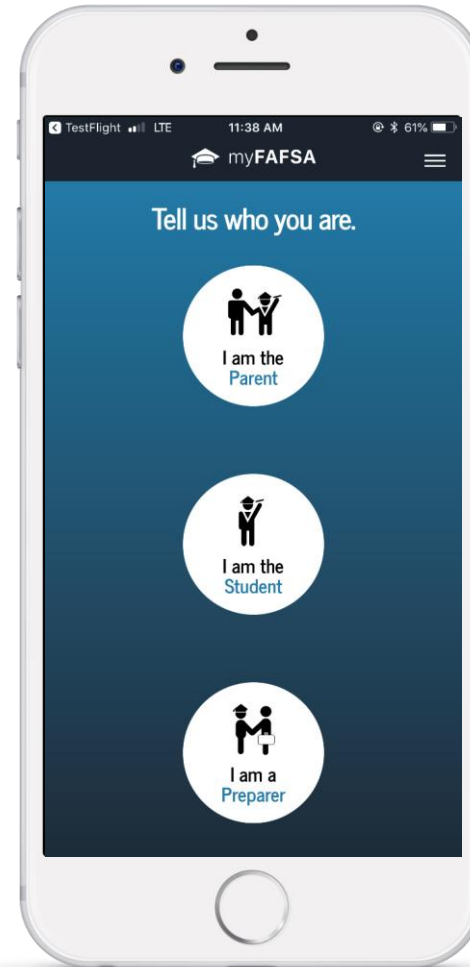
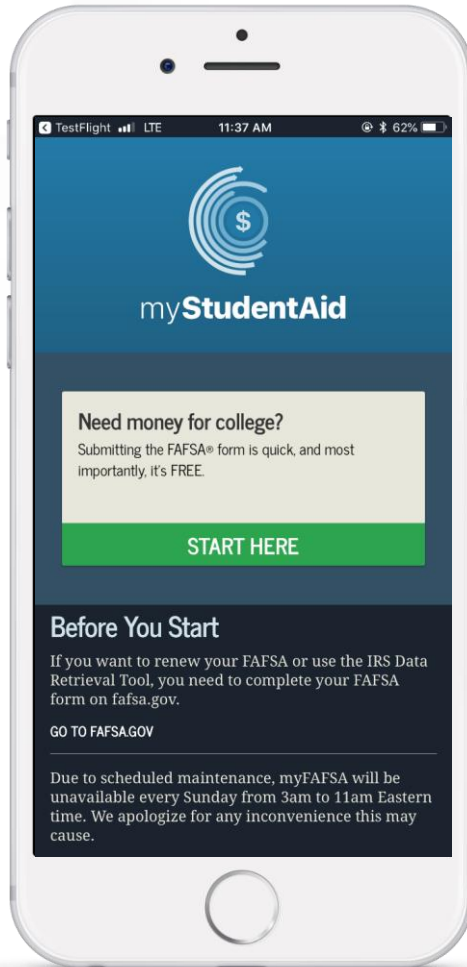




Mobile FAFSA APP

- Ready for Download: FAFSA® Completion on the myStudentAid Mobile App
- The fafsa.gov website has an updated look with new colors and has been redesigned so that the site pages will fit the screen size and shape of any device, including desktop or laptop computers, and mobile devices such as smartphones or tablets.
- Students and parents can now complete the FAFSA form on a mobile device with the same ease as on a desktop or laptop computer.

Landing View And Roles



FOTW - FAFSA On The Web

Login

Log in to the FAFSA

Only students may use their FSA ID to log in. Parents and others can start a FAFSA for a student by entering the student's identifiers. Parents and others can also work on a FAFSA form or correction the student started using the **Save Key** that the student made. [Help for parents.](#)

Form Approved
OMB No. 1845-0001
App. Exp. 12/31/2019.

☒ I am the student

OR

☐ I am a parent, preparer, or student from a Freely Associated State

Do not log in with the FSA ID if you are not the student.

Don't have an FSA ID? [Create one](#) or login using the [student's identifiers](#).

The student's FSA ID Username or Verified E-mail Address

?

[Forgot Username](#)

The student's FSA ID Password

?

[Forgot Password](#)

NEXT



FAFSA Dependency Questions

- To be considered independent, student must be able to answer **YES** to at least **ONE** of the following:
 - Born before 1/1/1999?
 - Married?
 - Have legal dependents?
 - Legally Emancipated Minor?
 - Graduate Student?
 - Armed Forces Veteran?
 - Orphan/Ward of the Court?
 - In Legal Guardianship?
 - Homeless or at Risk?
 - Unaccompanied Youth?



FAFSA Dependency (continued)

- If student answers “no” to all of the dependency questions, he or she is considered dependent for financial aid
- “Living on your own” or “supporting yourself” **does NOT** make a student independent for FAFSA purposes



Determining the FAFSA Parent

- Married biological parents, or not married but live together
- For divorced parents, the FAFSA parent is the one the student lived with more during the past 12 months
 - If residence was split 50/50, the parent who provided more financial support during the past 12 months is the FAFSA parent
 - If that parent is now remarried, step-parent income information is required (even if they weren't married in 2020)
- Adoptive parents are considered legal parents, and therefore should complete parent section of the FAFSA



IRS DATA RETRIEVAL TOOL

- The Department of Education encourages all applicants to utilize the IRS tax data retrieval tool when completing the 2022-2023 Free Application for Federal Student Aid (FAFSA).
- This tool is available to most tax filers who have a processed tax return on file with the IRS.
- Students **selected for federal verification** are **required** to utilize the tool to import student and/or parent income information directly from the IRS. If a student and/or parent is not able or unwilling to use the IRS data retrieval process, a tax transcript is required.



IRS D.R.T (Cont.)

Eligibility

- You and your parents are **eligible** to use the IRS Data Retrieval Tool if you:
 - Filed your 2018 federal tax return with the IRS.
 - Have a valid social security number.
 - Have a Federal Student Aid User ID (if you do not have an FSA ID, you will be given the option to apply for one)
- You and your parents are **not eligible** to use the IRS Data Retrieval Tool if:
 - Your marital status changed after December 31, 2020.
 - You filed married filing separately.
 - You filed a foreign tax return.
 - You filed a tax return using a Tax ID Number (TIN).
 - The home address on the FAFSA does not match the address on the tax return.

According to the IRS, this tool cannot be used until 1-2 weeks after electronically filing a tax return and 6-8 weeks after filing paper tax returns.



Investments on the FAFSA

- FAFSA asks for net worth of student/parent investments
- Investments include: real estate (not including the home in which you reside), rental property, trust funds, UGMA/UTMA accounts, money market funds, mutual funds, CD's, stocks, stock options, bonds, and other securities
- Investments also include qualified education benefits or education savings accounts (529 savings plans and the refund value of 529 prepaid tuition plans)
 - Reported as student investments for students who are not required to report parental information on the FAFSA
 - Reported as parent investments for students who must report parental information, regardless of if the account is in the student's name



Investment Exclusions

- Investments do not include: the home you live in, the value of life insurance or retirement plans (401[k] plans, pension funds, annuities, non-education IRA's, etc.), or cash, savings, and checking accounts already reported
- Investments also do not include UGMA & UTMA accounts for which you are the custodian, but not the owner
- Distributions made from a 529 plan owned by someone other than the student/parents should be reported as money received/paid on your behalf
- Business value does not include the value of a small business with <100 FTE, and for which your family owns and controls more than 50% of the business

FAFSA Forecaster

- FAFSA Forecaster = free financial aid calculator that provides an early estimate of federal student aid eligibility
 - Go to this site:
https://fafsa.ed.gov/spa/fafsa4c/?locale=en_US#/landing
- *FAFSA4caster* is for anyone who is not yet ready to submit a FAFSA form—it's recommended for high school juniors, and even as early as middle school. Parents of younger students can use *FAFSA4caster* to receive early estimates, create scenarios based on future earnings, and then establish college funding strategies. Adult students also can use *FAFSA4caster* to get an idea of what aid they might receive.



- ***www.FAFSAhelpOH.org***
 - Replaces College Goal Sunday
- Free help to complete 2022-2023 FAFSA
- Includes helpful videos, guides, and tutorials on various aid and FAFSA completion topics
- FAFSA completion FAQ's



Satisfactory Academic Progress

You need to make satisfactory academic progress in order to continue receiving federal student aid. In other words, you must make good enough grades, and complete enough classes (credits, hours, etc.), to keep moving toward successfully completing your degree or certificate in a time period that's acceptable to your school.



Special Circumstances

FAFSA uses 2020 taxes to determine eligibility
Significant changes (particularly based on COVID-19) may allow for review but does not always change aid eligibility

(Medical/dental expenses, dependent care, parent or spouse death, loss of employment, divorce. Student cannot obtain parental information.)

Evaluation and determination available once there is a better picture of family finances to fully project 2022-2023 income

Every institution has a different process

Decisions are final and cannot be appealed.



Role of the Financial Aid Office

- Determines aid eligibility using federal formula
- EFC = Expected Family Contribution
 - used to determine eligibility for need-based aid
 - calculated based on info indicated on FAFSA (including student/parent income/assets, number in household, number in college, etc.)
- SAR = Student Aid Report
- Packages aid depending on availability of funds
- Sends financial aid award notification



Awarding Aid

- Direct costs = tuition, fees, room and board
- Indirect costs = books, transportation expenses, and personal expenses
- Cost of Attendance (COA) = direct costs + indirect cost allowances

Cost & Aid Comparisons

	College A	College B	College C
EFC	3,620	3,620	3,620
Cost: Tuition	\$24,000	\$12,000	\$ 6,000
Cost: Room & Board	<u>\$10,000</u>	<u>\$10,000</u>	<u>N/A</u>
TOTAL COSTS	\$34,000	\$22,000	\$ 6,000
Est. Costs: Books, Misc., etc.	<u>\$ 6,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
TOTAL Est. Cost of Attendance	\$40,000	\$26,000	\$ 10,000
Aid: Scholarship(s)	\$10,000	\$ 4,000	\$ 500
Aid: Grant(s)	\$ 6,000	\$ 5,000	\$ 4,500
Aid: Loan(s)	<u>\$ 5,500</u>	<u>\$ 5,500</u>	<u>\$ 5,500</u>
TOTAL AID	\$21,500	\$11,500	\$ 10,000
Rem. Out Of Pocket Costs	\$18,500 balance	\$14,500 balance	(\$ 3,000) credit

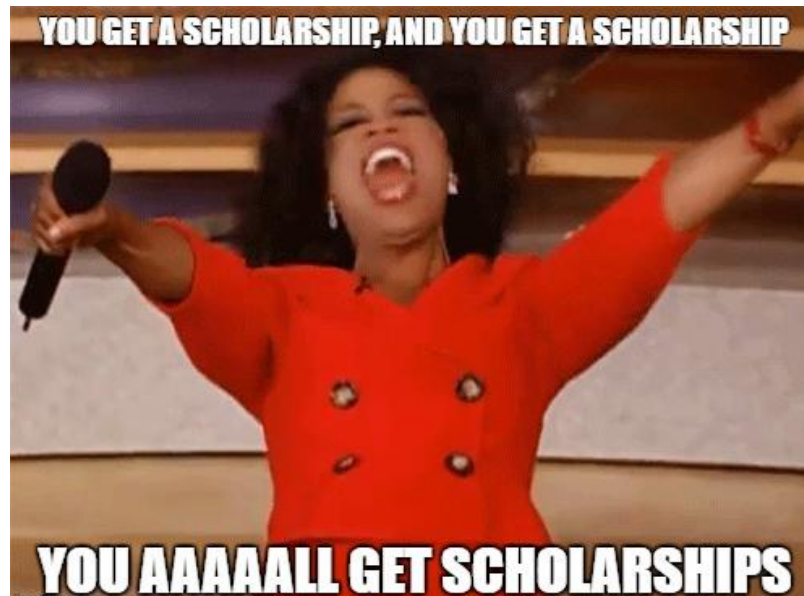


Where Do I Go From Here?

- Review admissions & financial aid websites & materials for each school to which you are applying
- Meet all application deadlines
 - Complete FAFSA & other application materials
 - Submit all requested follow-up documents
- Investigate other sources of aid

Scholarships

- Two Primary Types
 - Institutional and Private Scholarships
- Merit Based
 - ACT, SAT, HS GPA
- Each college/university will have their own criteria
- Start looking early for private scholarships





UC Scholarship Info

- Cincinnatus Scholarship = renewable scholarship; awards range from \$1500/year to full-ride
- Departmental Scholarships
- Awards are made on a holistic approach
- Requirements to be considered:
 - Completed admissions application by December 1st
 - HS transcripts received by UC (sent directly from HS to UC) by December 1st
 - Test scores received by UC (sent directly from ACT or the College Board to UC) by December 1st
- www.financialaid.uc.edu/aid/scholarships



Scholarship Searches

- Information via the Web:
 - “Search for Scholarships” tool on www.financialaid.uc.edu
 - www.fastweb.com
 - www.scholarshipamerica.org
 - www.cincinnati-scholarship-foundation.org
 - www.collegeboard.com
 - collegexpress.com
 - munozfoundation.org
 - uncf.org
- Libraries
- High school counselors
- Hometown organizations, churches, etc.
- Avoid paying for information
- Check with counselors at the colleges you are interested in attending



Money Management Tips

- Keep loan debt to a minimum
 - Accept only what you need
 - Aid based on billed & non-billed costs; may be more than you desire
 - Loans offered at maximum, so you know eligibility
 - Borrow less when you can
 - Think of other expenses at time of repayment
- Money plan
 - Plan keeps spending on track
 - Reduces impulse spending
 - Anticipates upcoming expenses



Credit

After you graduate, one of the most important numbers in your life is your credit score. It's a three-digit number that tells creditors how creditworthy you are.

Landlords, Jobs, Loans are based off credit

Avoid Credit Card Debt

Borrow only what you need

Budget!

Build a small Emergency Fund

Learn How to Invest



Things to Consider

- A university's "price tag" isn't always the deciding factor
- More "aid" doesn't always equal best option
- All Award Letters will look different
- Remember, there will be indirect costs not listed on the student's bill
- Awarding timeframes widely vary from school to school
- Contact university's financial aid office if your family has experienced a significant change/decrease in household size and/or family finances from 2018.



Questions?

- One Stop Student Services Center
- 513-556-1000
- onestop@uc.edu
- *www.financialaid.uc.edu*
- *Office Hours: Monday-Friday 8am-5pm*
- *Diana.irving@uc.edu*