

Deciphering Financial Aid Award Letters



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Presentation Highlights

- Definitions
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- Financial Aid Timeline
- Net Cost vs. Net Price
- Sample Award Letter
- Comparing Letters
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Definitions

- **Free Application for Federal Student Aid (FAFSA)** - The FREE application used to apply for federal student aid, such as federal grants, loans, and work-study.
- **Financial Aid** - The offering of scholarships, grants, federal work study, and loans to assist a student in meeting the cost of attendance.
- **Award Letter** – An offer sent from a college or university to the student that details how much financial support the student is eligible for. The award letter is sent following the student's submission of the Free Application for Federal Student Aid (FAFSA) and application to attend college or university.
- **Cost of Attendance (COA)** - A figure provided by colleges and/or college financial offices that estimates the total costs of attending that particular school for a period of one year. Included in the estimate are all reasonable expenses such as tuition, room and board, books and supplies, personal expenses and transportation.
- **Expected Family Contribution (EFC)** - This is the number that's used to determine your eligibility for federal student financial aid. This number results from the financial information you provide in your FAFSA. Your EFC is reported to you on your Student Aid Report (SAR). The amount of money that a student's family is expected to contribute to college costs for one year. The EFC considers family income, assets, size of current household and the number of family members currently enrolled in college.

Financial Aid Timeline

Fall of Senior Year

- FAFSA
 - Available October 1st
 - Student Aid Report (SAR)
 - Institutional Student Information Record (ISIR)
- Apply to Colleges

Spring of Senior Year

- Financial Aid Award Letters
- Choose your School (May 1st)
- Follow Schools' Award Process
- Apply for Student Loans

What's Included

- **Types of Financial Aid Listed**
 - Scholarships and Grants
 - Federal Work Study Program
 - Federal Perkins Loan
 - Federal Direct Loans
 - Federal Direct PLUS Loan
- **Cost of Attendance (COA)**
- **Expected Family Contribution (EFC)**
- **Schools' Financial Aid Process**

Net Cost vs Net Price

The total yearly cost of a college education is called its net cost or sticker price. This price includes the total cost of yearly tuition, books, room and board, and any fees the campus might charge like a lab fee or parking fee. The financial aid report starts with this net cost, and then subtracts a student's financial need, scholarships, grants, and other forms of aid from the total, leaving the net price.

The net price is what a student will actually pay to attend a college. Your net price is a college's sticker price for tuition and fees minus the grants, scholarships, and education tax benefits you receive. The net price you pay for a particular college is specific to you because it's based on your personal circumstances and the college's financial aid policies.

Sample Award Letters

University of Success

Federal Direct Subsidized	\$3500
Federal Direct Unsubsidized	\$2000
School Grant	\$2000
State Scholarship	\$1500
Federal Work Study	\$2000
Total Award	\$11000
Cost of Attendance	\$21000
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Remaining Need	\$10000

Comparing Letters

Which College is the better deal?

	COA	EFC	Self-Help Aid	Gift Aid	Unmet Need	Net Price
College A	\$15,000	\$2,000	\$4,000	\$4,000	\$5,000	\$11,000
College B	\$15,000	\$2,000	\$2,000	\$5,000	\$6,000	\$10,000

	COA	EFC	Self-Help Aid	Gift Aid	Unmet Need	Net Price
College C	\$15,000	\$2,000	\$4,000	\$5,000	\$4,000	\$10,000
College D	\$30,000	\$2,000	\$4,000	\$20,000	\$4,000	\$10,000

How Much do you Really Need?

Consider

- Fixed Costs
- Flexible Costs
- Other Income
- Tuition Payment Plans
- Professional Judgements and Appeals

Fixed Costs vs Flexible Costs

Tuition \$8,000

+

School Fees \$1,000

Total Fixed **\$9,000**

Total Flexible **\$11,000**

Flexible Costs

Total Flexible Costs \$11,000

Rent (\$500 X 10 months)	\$5,000
Food (\$300 X 10 months)	\$3,000
Books (\$200 X 10 books)	\$2,000
Personal Expenses (\$75 X 10 months)	\$750
Transportation (ex: Bus pass @ \$25/mo x 10mos.)	\$250

Total Flexible Costs \$8,750

Rent (\$400 X 10 months)	\$4,000
Food (\$300 X 10 months)	\$3,000
Books (\$100 X 10 books)	\$1,000
Personal Expenses (\$50 X 10 months)	\$500
Transportation – (ex: Bus pass @ \$25/mo x 10mos.)	\$250

(New) Unmet Need

Fixed	\$9,000
Flexible	\$8,750
Total Costs	\$17,750
Total Costs	\$17,750
Total Award	(\$10,000)
Remaining Need	\$7,750

Need reduced by \$2,250 (or \$225 a month)

If you can do this each year in school, you'll save over \$9,000 because of accrued interest

Appeals and Professional Judgement

- Recent unemployment of family member(s)
- Medical, dental, or nursing care expenses not covered by health insurance
- Changes in the family's income and/or assets
- Disability/Death
- Divorce
- Homeless youth
- Parents incarcerated



FAFSA Changes for 2017-2018

- Ability to file their 2017-2018 FAFSA as early as October 1, 2016, instead of waiting until January 1, 2017
- The income information used to complete the 2017-2018 FAFSA will be from 2015 (prior prior year) and not the year prior (2016)

When a Student is Attending College (School Year)	When a Student Can Submit a FAFSA	Which Year's Income Information is Required
July 1, 2016 – June 30, 2017	January 1, 2016 – June 30, 2017	2015
July 1, 2017 – June 30, 2018	October 1, 2016 – June 30, 2018	2015
July 1, 2018 – June 30, 2019	October 1, 2017 – June 30, 2019	2016

Source:

<https://studentaid.ed.gov/sa/about/announcements/fafsa-changes>

Thank You for Attending

Tricia Poplicean

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Please contact us with any additional questions:

<http://www.studentchoice.org/college-access-counselor>



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