Understanding Financial Aid and FAFSA

AGENDA

Free Application for Federal Student Aid (FAFSA)

Financial Need

Sources of Financial Aid

The CSS Profile

What is Financial Aid?

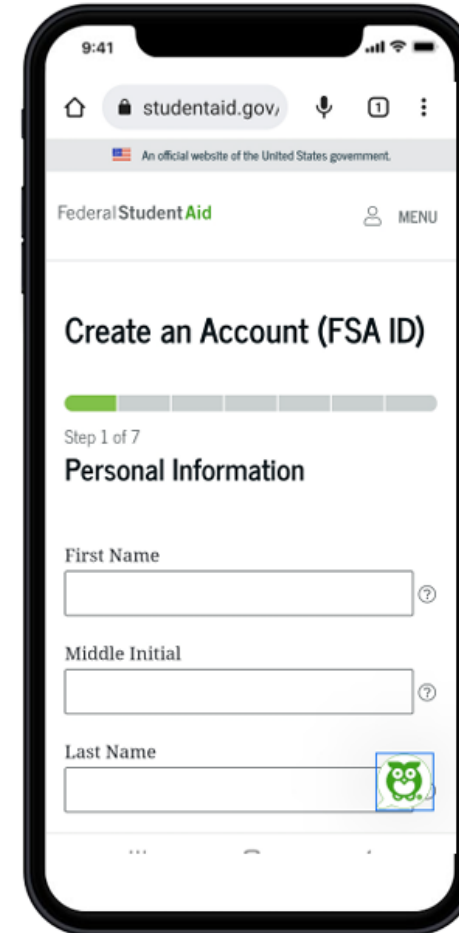- Financial aid is funding used to assist students and families to pay for postsecondary educational expenses.

Completing the FAFSA

- Each contributor must create an FSA ID and password at https://studentaid.gov/fsa-id/create-account/launch

- The FSA ID will provide access to certain U.S. Department of Education websites.

  - **Every contributor to the FAFSA will need an FSA ID and password to provide consent and to electronically sign the FAFSA**

- Provide a valid email address for the FAFSA Submission Summary (FSS) to be emailed in 3-5 days.

- https://studentaid.gov/

FSA ID

Be aware of new requirements

1. Two-step verification

2. All FAFSA® contributors must have an FSA ID to log into online form

3. New process to get an FSA ID for parents and spouses without a Social Security number

Please note: Within the FAFSA form, the contributor can verify that their personal information is correct. If they need to update any of their personal information, the contributor must access their Account Settings on StudentAid.gov.

Prior-Prior Year FAFSA

The 2025-2026 FAFSA is expected to be available in December 2024*

IF YOU PLAN TO ATTEND COLLEGE FROM	YOU WILL SUBMIT THIS FAFSA	YOU CAN SUBMIT THE FAFSA FROM	USING TAX INFORMATION FROM
JULY 1, 2025 – JUNE 30, 2026	2025-2026	DECEMBER 2024*- JUNE 30, 2026	2023

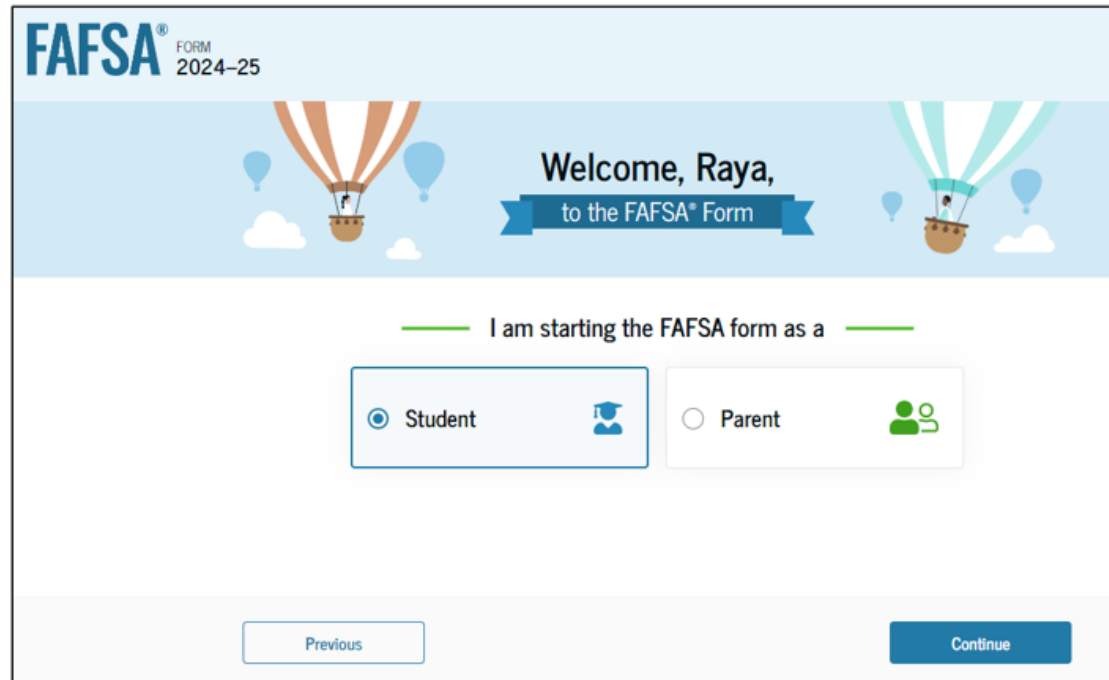*Please note this is subject to change based on the Federal Government's Timeline

Documents Used to Complete FAFSA

- 2023 Federal Income Tax Returns
- Child support received
  - During last full calendar year
- Current balances of cash, savings, and checking accounts
- Net worth of investments, businesses, and farms
  - Net worth is the value of the business minus the debts owed against it

Who can file the FAFSA?

- Either the parent or the student can start the FAFSA.

- **If the student starts the FAFSA, they answer the Student questions and invite the parent to the FAFSA form to complete their section, provide consent for your Federal Tax Information (FTI), and sign the FAFSA form.**
  - *****It is highly recommended that the student starts the form*****

- If the parent starts the FAFSA, they will answer questions about the student as well as questions about the parent. The student will then have to login to provide consent for their FTI and sign the FAFSA form.

Which contributors are needed to complete the FAFSA?

For Married Parents:
- Both parents should be contributors on the FAFSA.

For Remarried Parents:
- If the parent is remarried as of the day that they are filing the FAFSA, the stepparent's information must also be provided.

For Unmarried and Both Legal Parents Living Together:
- Both parents should be contributors on the FAFSA.

For Divorced or Separated Parents:
- The parent that provided the greater portion of the student's financial support during the last 12 months should be the contributor on the FAFSA.

  - If both parents provide exactly equal financial support to the student, the parent with the greater income should be the contributor on the FAFSA.

FAMILY SIZE AND NUMBER IN COLLEGE

- Family size determined using tax return data; can adjust if info has changed or does not reflect applicant's current family size

- Number in college no longer part of need analysis but question will remain on FAFSA® form

Top 4 Most Common Errors

1. Be sure to report IRA/Pension Rollovers
   - Check 2023 IRS Form 1040 lines 4 & 5
   - If an amount is listed, check your 2023 IRS Form 1099-R
     - Distribution Code G indicates a rollover

2. Answer "0" for "Amount of college grants, scholarships or AmeriCorps benefits **reported as income to the IRS"**
   - UNLESS a taxable scholarship is listed on the 1040 Schedule 1 line 8r or on the W-2

3. Student incorrectly answers "Yes" to "Apply for a Direct Unsubsidized Loan Only" question
   - Students should answer "No" & include parent information to be considered for all other types of aid

4. Retirement accounts should NOT be included as assets

FAFSA® FORM 2024–25

Student **Raya Tran**

After Submitting the FAFSA® Form

After submission, you'll need to check on the status of your FAFSA® form and make corrections, if required.

→ Your form will be processed in 1–3 days.

→ You'll receive a FAFSA Submission Summary. It will include the Student Aid Index (SAI), a number used to determine federal student aid eligibility.

→ Schools will use your SAI to create your financial aid offer that explains the types and amounts of aid they are offering you. Most schools will wait to send you an aid offer only after they accept you for admission.

Previous

Start FAFSA form

12 | MARIST

Checking the status of your FAFSA

- Student should login to studentaid.gov and navigate to "My Activity"
  - *Draft*—you've started your FAFSA form but haven't completed your required sections.
  - *In Progress*—you've completed your required sections of the FAFSA form but haven't submitted the form.
  - *Action Required*—you've completed your required sections but there was an error, and a correction is needed. This may include missing consent and approval and/or a signature.
  - *In Review*—your form was submitted but hasn't been processed yet.
  - *Processed*—your FAFSA form was processed successfully with no errors.
  - *Closed*—your FAFSA form was started but wasn't submitted before the deadline.

What is the Student Aid Index (SAI)?
(formerly known as Expected Family Contribution (EFC))

- The Student Aid Index (SAI) is a number that determines each student's eligibility for certain types of federal student aid.

- Calculated using data from the federal application form (FAFSA) and a federal formula.

Factors Considered in Calculating the SAI:

1. Income

2. Assets

3. Household size

4. Federal poverty guidelines

What is Cost of Attendance (COA)?

- Billable Costs

- Non-Billable Costs

- Varies from college to college

- Includes:
  - Tuition and fees, housing and food, books, travel, miscellaneous expenses.

What is Financial Need?

Cost of Attendance

- Student Aid Index(SAI)

- <u>Other Financial Assistance(OFA)</u>

= Financial Need

Types of Financial Aid

- Gift Aid
  - Scholarships
    - Merit/Academic
  - Grants
    - Need-based

- Self-Help Aid
  - Need-based
    - Federal College Work Study
  - Non-need based
    - Campus Employment
  - Loans

Gift Aid: Scholarships

Institutional:

- Academic Scholarship
- Alumni/Legacy Scholarship
- Athletic Scholarship
- Music Scholarship
- Theatre Scholarship
- ROTC Scholarship

Private:

- Endowed Scholarships
- Outside Scholarships

Gift Aid: Grants

- **Federal:**

  - **Federal Pell Grant: $740 - $7,395** (2024-2025 Pell Amounts)

  - **Supplemental Educational Opportunity Grant (SEOG)**

  - **TEACH Grant: up to $4,000/year ($16,000 over four years)**

- **State:**

  - **New York State TAP: $1,000 - $5,665**

- **Institutional:**

  - **Need-Based Grant in Aid**

Student Employment

- Allows student to earn money to help pay educational costs and learn "real life" work skills

- Awarded as Campus Work Study or Campus Employment

- Earnings not applied toward the bill

- Student receives a paycheck

Federal Direct Loans: (Subsidized and Unsubsidized)

Subsidized Direct Loan:

- Need-based
  - Government pays interest earned while in school

Unsubsidized Direct Loan:

- Financial need is not a consideration
- Interest accrues
- Interest payments can be made or deferred

Effective 7/1/24-7/1/25
Fixed interest rate
of 6.53%

Origination Fee of 1.057%

Freshman base annual loan limit $5,500

Federal Direct PLUS Loan

- Borrowers are parents of dependent undergraduate students

- FAFSA must be filed to receive a Federal PLUS Loan

- Annual loan limit: cost of attendance minus all other financial aid

- Repayment begins after final disbursement for the year unless granted a deferment

**Federal PLUS Loan:
Effective 7/1/24-7/1/25
Fixed Interest Rate of 9.08%**

Origination Fee of 4.228%

Private Loans

- **Loan in the student's name**

- **Credit-based**

- **Can borrow up to the cost of attendance minus all other financial aid**

- **Interest rates (fixed or variable), terms, and fees vary with lender**

Monthly Payment Plan

- **Convenient alternative to lump-sum, semester payments**

- **Payments can be made over specified time period**

- **Enrollment fee per semester**

- **No credit review**

The College Scholarship Service (CSS) Financial Aid PROFILE

- Used by some colleges and universities to award their own institutional financial aid funds. This form is in addition to completing the FAFSA.

- Review the colleges' websites to determine if the PROFILE is required or for priority filing dates.

- $25 for the initial application; $16 charged for each additional college you request.

- Students register and complete the PROFILE online at http://student.collegeboard.org/profile

- PROFILE is not required for federal financial aid

Points to Remember

- **Read the FAFSA and PROFILE instructions carefully**

- **Financial aid and state requirements and deadlines may vary with institutions**

- **The FAFSA must be completed or renewed every year the student is in college in order to be eligible for financial aid**

Online Resources

- Federal Student Aid Downloadable Resources:
https://studentaid.gov/sa/resources

- FAFSA on the Web: https://studentaid.gov\h\apply-for-aid\fafsa

- Department of Education Student Information: http://studentaid.gov

- 7 Things To Do After Submitting Your 2025-2026 FAFSA Form:
https://studentaid.gov/articles/things-after-fafsa/

- New York State TAP: www.hesc.ny.gov

- Net Price Calculator: A tool used to estimate net cost of a specific institution
https://www.marist.edu/financial-aid/net-price-calculator

- Marist College Office of Student Financial Services:
https://www.marist.edu/sfs