Understanding the Financial Aid Process

It's the biggest investment of your life, make sure you have professionals on your team.
College Funding Services

- Website: www.ineedfinancialaid.com
- Cell Phone: 978-609-0069
- Email: info@ineedfinancialaid.com
How do they determine if I’m eligible?

• COA – EFC = NEED

• COA = Cost of Attendance
  • (Includes tuition, books, room/board, etc.)

• EFC = Expected Family Contribution
  • (Based on parent and student income, assets, age, number of students in school, etc.)

• Need = Amount of aid the family is eligible
What should we know about our Family Contribution?

- What is considered an asset?
  - Everything but your retirement account (401k, IRA, 403b)
- Parental Assets vs. Student Assets
  - Parent assets factored into EFC at lower % (529s)
- Is debt considered?
  - No but....
- How should we value our home?
  - www.finaid.com
  - Calculators
  - Federal Housing Index
What is my base income year?

- Tax year used for financial aid or Base Income Year
- “Prior Prior” tax year
  - Class of 2020 (seniors) = 2018 tax returns
  - Class of 2021 (juniors) = 2019 tax returns
  - Class of 2022 {sophomores} = 2020 tax returns

Income
- Parents - Line 7 on 1040 AGI
- Students – Income Allowance of $6,420

*Multiple children in undergrad at same time = Split EFC
Sources of Financial Aid

- **FEDERAL GOVERNMENT**
  - Pell
  - PLUS
  - FDSL - Federal Direct Student Loan
    - Sub vs. Unsub

- **NY STATE –**
  - Special programs for in-state residents.
  - [www.hesc.ny.gov](http://www.hesc.ny.gov)
  - NY Tap Grant (low EFC families)
  - Excelsior Scholarship-
    - Apply in March-July of Senior Year
    - Free tuition about $6,000 Not Room and Board etc
      - Class of 2020 – Under 120k AGI
What if I do not qualify for Need-Based Aid?

- Merit Aid and Value Schools
  - Top 25% of applicants – High Priority
  - School by school basis; some more generous than others
    - Ivy Leagues & NESCAC do not give merit awards

Value Schools –
- Lower end of tuition range = Value
  - Ex. James Madison (VA) COA = ~$40,000

- Public School Honors Programs
How do you apply for FAFSA?  
www.FAFSA.ed.gov

- Accessible on Oct. 1\textsuperscript{st}, 2019
- 2018 is base income year for class of 2020
- “Prior Prior” is new base income year
- DEADLINES ARE PARAMOUNT

- Login Procedure: Create FSA ID – FSAID.ed.gov
  - Required by each student and one parent
  - Needed to access/submit the FAFSA
  - Username/Password (Replaced PIN number system)
400 private schools require this additional app
Much more invasive and complex with a lot more questions than the FAFSA
Home equity treated as liquid asset*
  - Institutional EFC at each school that requires this
$25.00 for 1st school, $16.00 for each thereafter
*Divorced/Separated Situations - NCP
## Case Study - Need

<table>
<thead>
<tr>
<th></th>
<th>Amherst College:</th>
<th>UMASS-Amherst:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$75,000</td>
<td>$28,000</td>
</tr>
<tr>
<td>EFC</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Need</td>
<td>$60,000</td>
<td>$13,000</td>
</tr>
<tr>
<td>Meets 100% Need</td>
<td></td>
<td>Meets 60% Need</td>
</tr>
<tr>
<td>Gift Aid</td>
<td>100%</td>
<td>50%</td>
</tr>
<tr>
<td>Self Help</td>
<td>0%</td>
<td>50%</td>
</tr>
</tbody>
</table>

### What you actually pay at each school:

<table>
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<tr>
<th></th>
<th>Amherst College:</th>
<th>UMASS-AMHERST:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EFC</td>
<td>$15,000</td>
<td>Original EFC = $15,000</td>
</tr>
<tr>
<td>Total Gift</td>
<td>$60,000</td>
<td>+ Unmet Need = $9,000</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td><strong>$15,000</strong></td>
<td><strong>Total Cost = $24,000</strong></td>
</tr>
</tbody>
</table>
How to appeal for the best possible package

5 Point Plan of Attack

1. Bring color/background to your story

2. Ask for specific amount of additional aid

3. Show awards offered by other colleges

4. Challenge expenses not considered on taxes

5. Be persistent