



# Financing A College Education

2023-2024

Financial Aid, Scholarships,  
and more

# Topics in Presentation

- Goal of Financial Aid
- FAFSA
- Description of Financial Aid Programs
- Timelines
- Payment options
- Other Benefits to Consider
- Resources



# Goal of Financial Aid

- Goal of Financial Aid: Assist students by evaluating family's ability to pay for education, distribute limited resources in an equitable manner for an academic year.
- FAFSA 2023-2024 (Free Application For Federal Student Aid) is the key.
- FAFSA calculates SAI (Student Aid Index) and determines financial need
- Apply annually

# FAFSA

Available online at

Website: <https://studentaid.gov> > FAFSA form  
after **October 1, 2022**



The screenshot shows the homepage of the Federal Student Aid website. At the top, the logo "Federal Student Aid" is displayed, along with navigation links for "FAFSA Form", "Loans and Grants", "Loan Repayment", and "Loan Forgiveness". A search icon is also present. The main content area features a large heading "Complete the FAFSA® Form" and a subheading "Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college or graduate school." To the right, there are two main sections: "New to the FAFSA® Process?" with a "Start Here" button, and "Returning User?" with options to "Correct info | Add a school" and "View your Student Aid Report (SAR)", along with a "Log In" button. The background of the main content area is dark blue with white text and icons, and a red star is placed above the "New to the FAFSA® Process?" section.

# Definition of Need

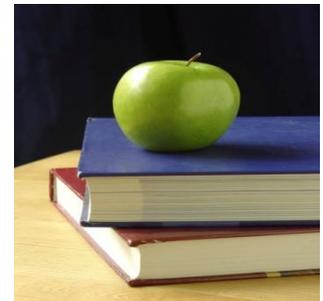
Cost of Attendance (COA)  
- Student Aid Index (SAI)  
= Financial Need/Eligibility

- \* College Net Price Calculator on college website OR
- \* Estimated SAI calculator at [www.ohe.state.mn.us](http://www.ohe.state.mn.us)



# Cost Of Attendance

- Tuition and Fees
- Room and Board
- Books and Supplies
- Transportation and miscellaneous personal expenses/computer, etc.
- Loan Fees
- Study Abroad Costs



# FAFSA: Seven Components

## 1. Student Demographic Information

\* Need SSN, Drivers License, 2021 federal tax returns, real time asset information

## 2. School Selection

\* List up to 10 different schools



# FAFSA: Continued...

## 3. **Dependency Status**

- Born before Jan 1, 2000
- Graduate or professional student
- Student is Married/Separated
- Has legal dependents other than spouse that receive more than 50% financial support from student
- Orphan/ward of the court/emancipated minor/legal guardianship/homeless
- Veteran of or currently serving on active duty in US Armed Forces
- Determined to be independent by FA office

# FAFSA: Continued...

## 4. Parent Information

- Parent(s) name, date of birth, social security number
- Marital Status
  - Married – If biological/adoptive parents married, report information for both parents on FAFSA
  - Unmarried, but living together - If biological/adoptive parents are not married, but living together, regardless of gender, report information for both parents on FAFSA
  - Divorced/Separated – If biological/adoptive parents are divorced/separated, provide information for parent:
    - Student lived with the most in last 12 months
    - Or, if lived equal periods with each parent, parent who provided the most financial support in last year or most recent year support provided
- Number in family/college



# FAFSA: Continued...

## 5. Financial Information

- Use parent & student 2021 federal tax return and real time asset information
- IRS Data Retrieval Tool – real time tax information transfer to FAFSA from IRS
  - Optional, but recommended
  - Increased security/confidentiality, encrypted tax information
  - Able to manually adjust IRA rollovers/pension distributions to remove from calculation
- Assets: student, parent

# FAFSA Continued

## Investments

### Must report:

529 College savings plans

Trust Funds

Money markets

CD's

Real Estate (lake home, rental property, etc.)

Mutual Funds

UGMA/UTMA accounts

Stocks & Stock Options

Coverdell savings accounts

### Do not report:

Home you live in

Retirement plans

Business you own with 100 or less FT employees

Value of life insurance

Family Farm



# FAFSA: Continued . . .

## 6. Sign & Submit

- Apply for FSA ID (create username and password)
- <https://studentaid.gov/fsa-id/create-account/launch> (today)
- Need a FSA ID for a parent **AND** for the student
- FSA ID is used for:
  - signing FAFSA
  - make FAFSA corrections
  - signing federal loans
  - look up student loan history



# FAFSA: Continued . . .

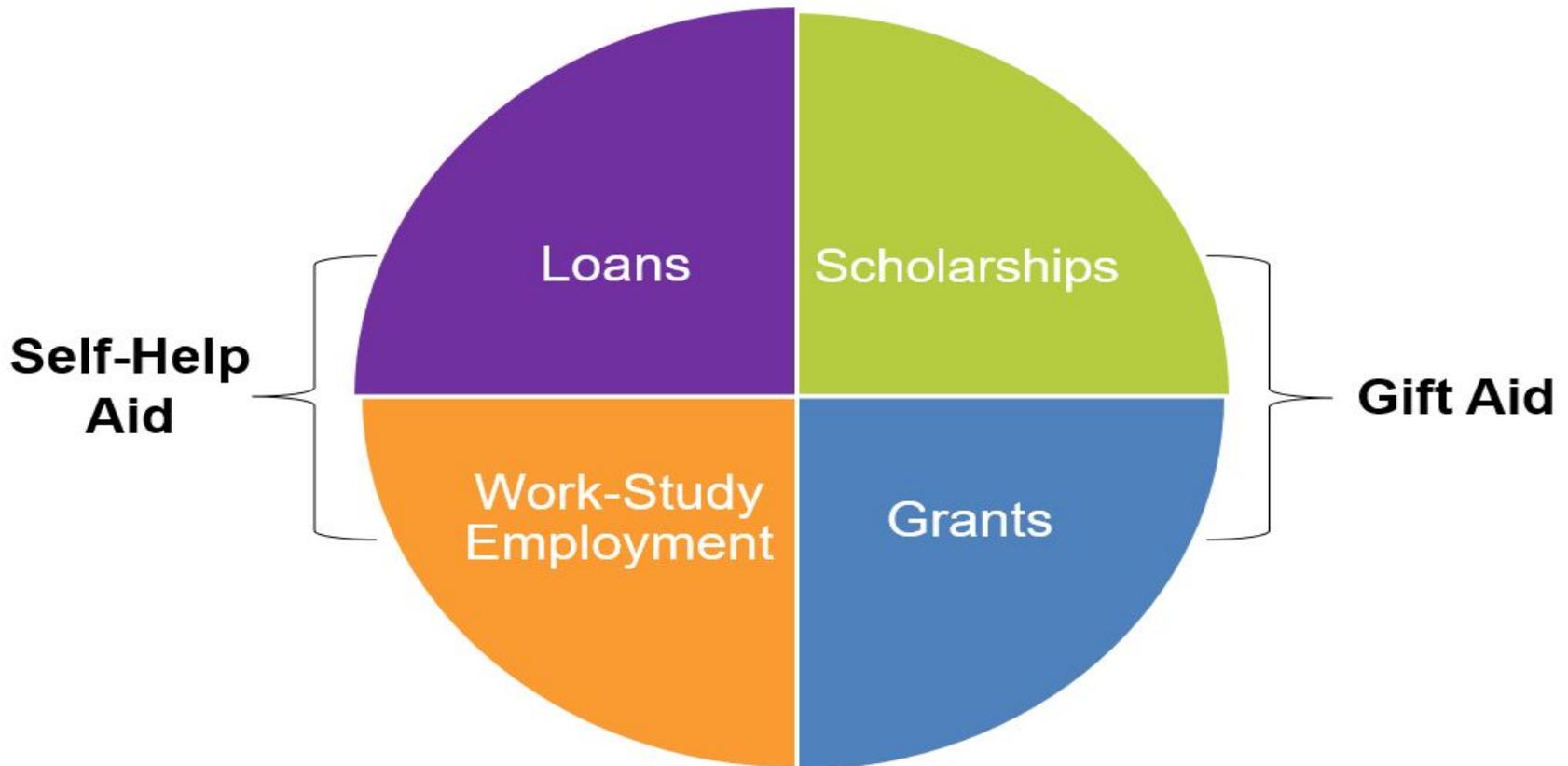
## 7. Confirmation

- Student Aid Report (SAR) review/make corrections. Available at [www.studentaid.gov](http://www.studentaid.gov)
- Verification selection
- Renew FAFSA each year
- Special Circumstances
  - employment changes/loss of job
  - medical expenses
  - parent enrolled in college, etc.

The screenshot shows the 'Federal Student Aid | FAFSA.gov' header with the U.S. Department of Education logo. It is titled '2021-2022 Electronic Student Aid Report (SAR)'. A table provides application details: Application Receipt Date (10/01/2020), Processed Date (10/01/2020), EFC (3157), and DRN (4424). The page contains several informational sections: 'Statements About Your Information' regarding tax benefits, a note on EFC-based eligibility for Pell Grants, a section on verification, and limits on Pell Grants and subsidized loans. A 'WHAT YOU MUST DO NOW' section includes instructions on how to correct information and a note about Pell Grant eligibility based on the EFC of 3157.

# What is Financial Aid?

## Types of Financial Aid



# Gift Aid

- Grants

- Institutional/College

- State

- **Minnesota State Grant:** \$100 - \$13,762\*

- More MN grants/scholarships at [ohe.state.mn.us](http://ohe.state.mn.us)

- Federal

- **PELL Grant:** max award = \$6895\*

- **SEOG:** awards range between \$100 - \$4000\*

- **Iraq & Afganistan Service Grant :** not to exceed COA

- **TEACH Grant:** \$4000\* for students majoring in education, designated areas of teaching, turn into loan if do not teach after college.

\*Based on 2022-2023 award amounts.



# Gift Aid

- Scholarships
  - Institutional/College Scholarships
  - School/Local/Civic/Community Scholarships
  - National Scholarships
  - Search the Web ~ Fastweb.com
  - Parent/Student place of employment

\*Deadlines - winter/spring of senior year



# Scams

- Never pay for scholarship or scholarship applications
- Fin Aid Seminars/Consultants: must sign fafsa
- **DO NOT USE!!!** [www.fafsa.com](http://www.fafsa.com) OR [fafsa-application.com](http://fafsa-application.com)  
\*\*Never pay to complete the FAFSA, it's free!
- Contact a financial aid or guidance office for advice if you're uncertain.



# Self-Help Aid

- Loans
  - Federal Direct Loan Program:
    - \* subsidized: 4.99%, no interest accrual (2022-2023)
    - \* unsubsidized: 4.99%, accrues interest (2022-2023)
  - \$5500 sub & unsub combination (first-year)
  - \$6500 sophomore
  - \$7500 junior
  - \$7500 senior
- SELF Loan: 4.5% variable or 6.35% fixed
- Alternative/Private Loan: 1.79% - 14.75%, variable & fixed options available, credit-based
- Federal Direct PLUS Loan: 7.54% fixed rate, credit-based (2022-2023)

# Self-Help Aid

- Student Employment/Work Study
  - Funding Sources
    - Federal
    - State
    - Institution
  - Guaranteed?
  - On versus Off Campus



# Timeline

- \* Apply and be admitted to colleges/universities - NOW
- \* Research and apply for scholarships - NOW
- \* Complete your FAFSA after October 1, 2022  
(\*\*\* Use the IRS DRT to transfer your 2021 tax information)
- \* FAFSA processing will take about 2 days then able to review SAR and results available to schools you listed with in 10-14 days.
- \* Check with each school to determine financial aid deadlines and if additional forms are needed for a complete financial aid file.
- \* Compare Award Offers – “apples to apples”



# Payment Plans

- Installment plans
- Semester plan
- Others ~ check with schools to which you are applying.



# Other Benefits to Consider

- American Opportunity Tax Credit
- Lifetime Learning Tax Credit
- Student Loan Interest Deduction
- Employer-Paid Tuition Assistance
- Military Service Education Benefits [ohe.state.mn.us](http://ohe.state.mn.us)
- Tuition Reciprocity [ohe.state.mn.us](http://ohe.state.mn.us) - public
  - WI, ND, SD, Manitoba, IA Lakes CC
- Midwest Student Exchange Program – limited public & private
  - (IL, IN, KS, MO, NE) [ohe.state.mn.us](http://ohe.state.mn.us)

*\*\* Always check with your tax preparer!*

# Popular Web Sites

- [studentaid.gov](https://studentaid.gov)
- [studentaid.gov/fsa-id/create-account/launch](https://studentaid.gov/fsa-id/create-account/launch)
- [studentaid.gov](https://studentaid.gov)
- [ohe.state.mn.us](https://ohe.state.mn.us)
- [fastweb.com](https://fastweb.com)
- [finaid.org](https://finaid.org)
- [collegeboard.org](https://collegeboard.org)
- [goingmerry.com](https://goingmerry.com)

FAFSA

FSA ID website

US Dept of Ed Financial Aid Info

State of MN/Scholarships/VA

Scholarship Search

Financial Aid Info/Scholarship

PROFILE app & Scholarships

Scholarship search

# Questions?

- How to contact me:

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Hamline University

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651-523-3000 or 1-800-888-2182