

A large, multi-story stone building with a prominent tower on the left side, featuring a conical roof and arched windows. The building is surrounded by trees and a clear sky.

# OLIVET

1844

C O L L E G E

***Be MORE. Do GOOD.***

## **Financial Aid and the FAFSA**

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# OUTLINE – FINANCIAL AID

- What is financial aid?
- ‘Four Pillars’ of financial aid
- Types of aid - overview
- How to qualify:
  - Financial aid timeline
  - FAFSA filing process
  - What do I need to apply?
  - Helpful tips and guidance





## WHAT IS FINANCIAL AID?

Funding intended to help students pay educational expenses including tuition and fees, room and board, books and supplies, and other costs associated with attending college.

**Need-based aid:** The federal government calculates your financial need based on the information you provide on the FAFSA. The information from the FAFSA is used to calculate a student's Expected Family Contribution (EFC), which is the amount your family is 'expected' to pay for college - based on your financial circumstances.

**Merit-based aid:** Colleges and private organizations award scholarships to students with academic, athletic or artistic talent.

# TYPES OF FINANCIAL AID

- **SCHOLARSHIPS**
- **GRANTS**
- **LOANS**
- **WORK STUDY**





# WHERE DOES FINANCIAL AID COME FROM?

## Four Pillars of Financial Aid:

1. Internal Scholarships
2. External Scholarships
3. FAFSA: Federal, State Aid and Grants
4. Loans: Federal and Private



# PILLARS 1 AND 2: INTERNAL AND EXTERNAL

## **Internal Scholarships:**

- College-specific financial aid
- Based on merit, skill, competition, programmatic
- Renewable? Non-renewable?

## **External Scholarships:**

- Student controlled: input = output
- Scholarship searching: high school, community foundations, county, workplace, social media

# PILLAR 3: FAFSA

## FEDERAL AID AND STATE GRANTS

### How do I qualify?: **FAFSA!**

(FREE APPLICATION FOR FEDERAL STUDENT AID)

The information you provide on the FAFSA is used to determine your **Expected Family Contribution (EFC)**.

Determined by several factors:

- Student/Parent Income
- Assets
- Investments
- Number in household
- Number in college

You will receive a **Student Aid Report (SAR)** containing FAFSA results.

# FEDERAL PELL GRANT AND SEOG

## Federal Pell Grant

- Based on Estimated Family Contribution (EFC)
- Currently up to \$6,495 per year (2021-22)
- Supplemental Educational Opportunity Grant (SEOG) eligible for Pell recipients – amount varies.



## EXAMPLE

- 0 EFC = \$6,495 in Pell
- 3,000 EFC = \$3,445 in Pell
- 5,500 EFC = \$1,045 in Pell



# MICHIGAN TUITION GRANT AND MICHIGAN COMPETITIVE SCHOLARSHIP

## Michigan Tuition Grant (MTG)

- Awarded to students attending a private college in Michigan
- Need-based aid determined by EFC – under 20,000
- List private school first on FAFSA by **March 1<sup>st</sup>**
- \$2,800 per year (as of 2021-22)

## Michigan Competitive Scholarship (MCS)

- Awarded to students attending a public college in Michigan
- \$1,000 per year (as of 2021-22)
- SAT score required – 1200 or higher on SAT

# **FEDERAL AID: TUITION INCENTIVE PROGRAM (TIP)**

## **Eligibility Requirements:**

**Student must have (or have had) Medicaid coverage for 24 months within a 36-consecutive-month period sometime within their lifetime.**

## **Phase I – used at schools that offer a two year degree**

- **\$110/credit hour (plus all other federal funds)**

## **Phase II – used at schools that offer a four year degree**

- **\$500/semester for two years (plus all other federal funds)**

# FEDERAL AID: THE TEACH GRANT

The TEACH Grant Program provides grants of up to \$4,000 a year to students who are completing or plan to complete course work needed to begin a career in teaching.

## Eligibility Requirements:

- Complete the FAFSA
- Enroll at a school that participates in the TEACH Grant Program
- Declare your major/intent as an Education student
- Maintain a cumulative GPA of at least a 3.25
- Sign a *TEACH Grant Agreement to Serve*

# FEDERAL AID: WORK STUDY

## CAMPUS EMPLOYMENT

- Federal Government allocates funds to the school to provide part-time jobs for students with financial need, allowing them to earn money to help pay education expenses.
- Indicate YES on FAFSA!

## AMOUNT VARIES AT EACH INSTITUTION:

- Students can apply for various positions on campus
- Work up to 20 hours per week (average 5-10 hours)
  - Earn up to \$1,000 per job per semester

# PILLAR 4: LOANS

## FEDERAL AND PRIVATE LOANS

### Types of Federal Loans:

- Subsidized - no interest accrued while in school
  - Eligibility: Unmet financial need – determined by EFC
  - **3.73%\* interest rate**
- Unsubsidized - interest is accruing while in school
  - Eligibility: File the FAFSA – awarded regardless of financial need
  - **3.73%\* interest rate**

*\*Reflects interest rates for 2022-23 academic year.*

	SUBSIDIZED	UNSUBSIDIZED
1 <sup>ST</sup> YEAR	\$3500	\$2000
2 <sup>ND</sup> YEAR	\$4500	\$2000
3 <sup>RD</sup> YEAR	\$5500	\$2000
4 <sup>TH</sup> YEAR	\$5500	\$2000

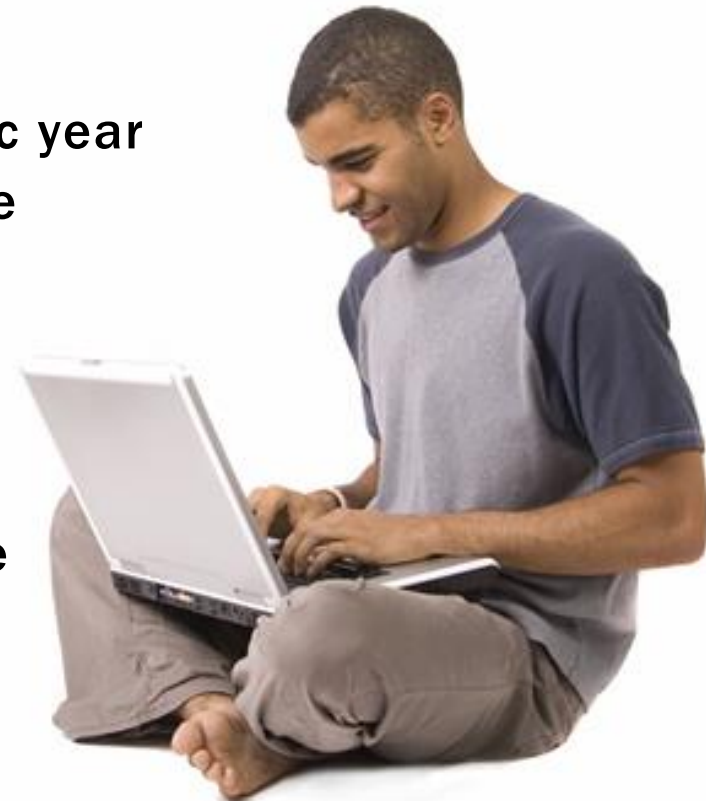
# FEDERAL AND PRIVATE LOANS

## THE (PARENT) PLUS LOAN

- Parents borrow for student
- Application uses parent credit score
- 6.28% interest for the 2022-23 academic year
- May cover up to entire remaining balance

## PRIVATE STUDENT LOANS

- Student Loans vs. Private Loans
- Banks and Loan Lenders
- Typically these loans are taken out in the students name with a co-signer.





# FINANCIAL AID: WHEN DOES MY AID RUN OUT?

## PELL GRANT

- Full-time for 6 years/SEOG included

## MICHIGAN TUITION GRANT

- 5 years

## FEDERAL LOANS

- Dependent Student: \$31,000 total
- Independent Student: \$57,500 total
- 4/5 years for undergraduate

## INSTITUTIONAL AID

- Some colleges give scholarships for all 4 years, some year-to-year or just for the first year.

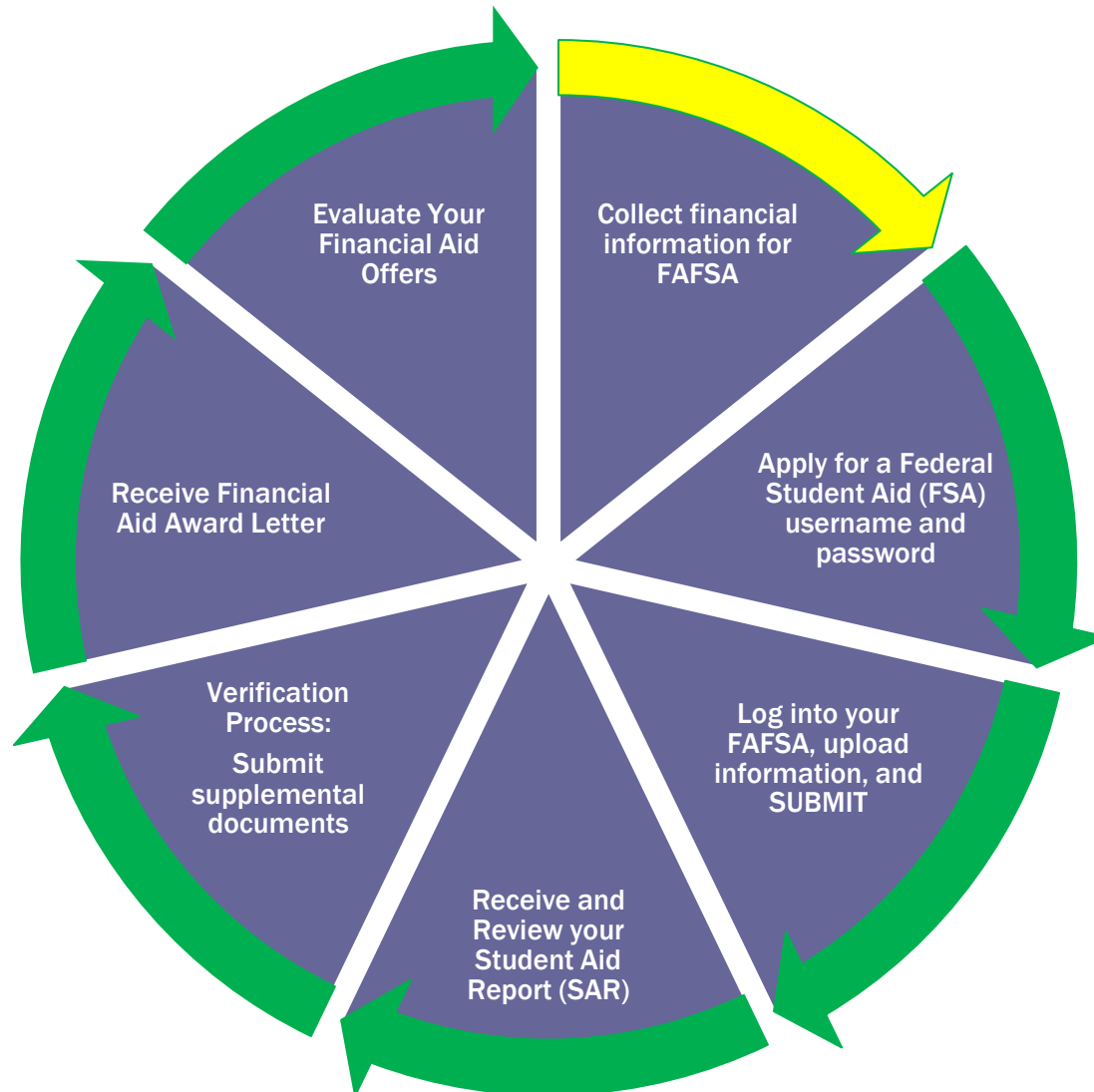
# THE FAFSA

FREE APPLICATION FOR FEDERAL STUDENT AID

# FAFSA: TIMELINE

*the* FAFSA<sup>®</sup> FORM *launches*  
**OCTOBER 1!**

# FAFSA APPLICATION CYCLE



# WHAT DO YOU NEED TO START THE FAFSA?

- FAFSA FSA ID – parent and student each need one!
- Social Security number for parent and student
- Federal income tax returns, W-2s, and other records of money earned. (Note: IRS Data Retrieval Tool)
- Bank statements and records of investments and assets  
Record of untaxed income

# APPLYING FOR FSA ID

Where to go?:

<https://fsaid.ed.gov/>

- **Sign FAFSA electronically**
- **Can request FSA ID NOW!**
- **Student AND Parent create their own FSA ID.**
- **Used by students and parents throughout their time in college.**

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## Create a New FSA ID

An FSA ID 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. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

To create your own personal FSA ID, enter answers for the questions below and select CONTINUE.

*Important: When you are done click 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

Edit My FSA ID

E-mail

Confirm E-mail

Username \*

Password \*

☒ Numbers ☒ Uppercase Letters ☒ Lowercase Letters ☒ Special Characters ☒ 8-30 Characters ☐ Show Text

Confirm Password \*

Are you 13 years of age ☒ I am 13 years of age or older. ☐

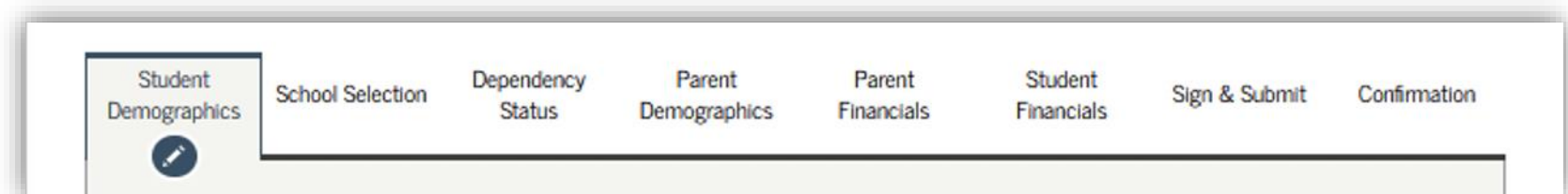
[Edit My FSA ID](#)  
[Frequently Asked Questions](#)



# FILING THE FAFSA 101

## Five steps to filing the FAFSA:

1. Visit [www.fafsa.gov](http://www.fafsa.gov)
2. Start the 2022-23 FAFSA using students FSA ID
3. Enter student and parent information in each section
4. Use the **IRS Data Retrieval Tool (IRS DRT)** to automatically import your tax information into your FAFSA. (Note: FAFSA uses tax information from 2020)
5. Electronically sign and submit using FSA ID's



# WHAT IF I MAKE A MISTAKE? VERIFICATION PROCESS

## WHO IS SELECTED?

- Colleges and federal government double check the accuracy of the information you provided in your FAFSA. If selected for verification, you will be asked to provide additional information.
- Random selection – about 60%

## SHOULD I BE WORRIED?

- NO – if you entered something incorrectly on the FAFSA, you are able to log back in, correct it and resubmit it or go through the verification process at your school.



# **SPECIAL CIRCUMSTANCES**

## **Professional Judgement**

- Unusual situations or circumstances that impact your federal student aid eligibility.
  - Loss of job, pay cuts, retirement, Covid-19, etc.
- Assessing the differences - 2020 vs. 2022
- Case-by-case
- Provide documentation of circumstance to the financial aid office.
- Adjustments may be made which can impact your EFC.

# REQUEST AN ESTIMATE

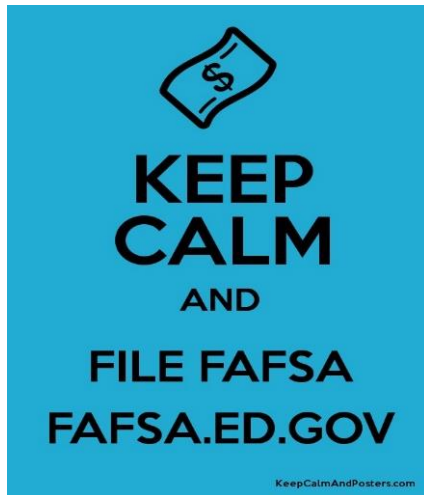
## FINANCIAL AID ESTIMATE

- Includes breakdown of tuition, room & board, fees, etc.
- Lists institutional aid, state and federal aid
- Lists federal student loans
- Estimates out of pocket cost for the year
- Net Price Calculators

## TALK ABOUT YOUR OPTIONS...

- Payment plans, loans, etc.

# ENDING REMARKS



Financial Aid Resource - Federal Student Aid: <https://studentaid.gov/>





# Questions?

