



FAFSA
Financial Aid Basics
2020-21 School Year

Financial Aid Basics

Need Analysis

Cost of Attendance (COA)

Expected Family Contribution (EFC)

Financial Need

Types of Aid

The Application

Questions & Answers

Prepare for College

Types of Aid

Who Gets Aid

FAFSA®: Apply for Aid

How to Repay Your Loans

FAFSA®: Apply for Aid

FAFSA®: Apply for Aid

Use the *Free Application for Federal Student Aid* (FAFSA®) form to apply for financial aid for college or grad school.

NEW TO THE FAFSA® PROCESS?

Completing the FAFSA form is free. Fill it out now.

[START HERE >](#)

RETURNING USER?

Correct info • Add a school
View your *Student Aid Report* (SAR)

[LOG IN >](#)

FAFSA® Announcements

- Customers who are using an Apple device (mobile and/or desktop) may encounter errors on some FAFSA fields if the “smart punctuation” feature is enabled. This feature changes apostrophes and quotation marks to invalid characters that the FAFSA form cannot recognize. [Learn about solutions for this error.](#)
- Check out the [myStudentAid app](#) for iOS and Android.
- To get the best experience, **make sure your browser's pop-up blocker allows pop-ups** from [fafsa.ed.gov](#) before logging in to the FAFSA form.

The FAFSA form will be unavailable due to scheduled maintenance every Sunday from 3–11 a.m. Eastern time.

FAFSA.ed.gov

How to Create an FSA ID

- ▶ Step 1: When logging into fafsa.gov, nslds.ed.gov, studentloans.gov or studentaid.gov, you may click the link to create an FSA ID.
- ▶ Step 2: Create a username and password, and enter an email address. **Do NOT use a high school email or email that you may lose access to.**
- ▶ Step 3: Enter name, DOB, SSN, contact, and challenge questions.
- ▶ Step 4: If you still have an FSA PIN, you can link it to your new FSA ID, or, make a new one if you don't have the PIN
- ▶ Step 5: Review your information, read and accept the terms and conditions.
- ▶ Step 6: Confirm your email using the secure code sent to it. When you verify your email address, you can use it instead of your username to log in.

NOTE: You may sign the FAFSA right away, but to use the other sites, allow 1 - 3 days for the SSA to verify your SSN.

FederalStudentAid
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Create a New FSA ID

An FSA ID is a username and password that 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.

You are not allowed to have an employee or agent of a commercial entity, or other third party, create an FSA ID for you for any purposes including but not limited to: payment reductions, debt consolidation or applying for aid. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

Important: When you are done, select 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.

Log in to StudentAid.gov

Create an FSA ID

Manage My FSA ID

Create your FSA ID username and password below.

Username

Password

Numbers Uppercase Letters Lowercase Letters 8-30 Characters Show Text

Confirm Password

CONTINUE

General Financial Aid Timeline

Complete
FAFSA for
2020-2021

After October 1,
2019

Submit Inst'l
Application/
Verification
Material

(if requested)

Receive Aid
Offer

Make
Enrollment
Decision

Goals of Financial Aid

- ▶ To assist a student in paying for higher education
- ▶ To provide greater access and opportunity for higher education
- ▶ To help narrow the gap between what the family can pay and the cost of education



Why Submit a FAFSA?

- ▶ **Scholarship applications may require that information.**
- ▶ **FAFSA used for more than just federal aid:**
 - ▶ **The State of Wisconsin uses it for grant eligibility determination.**
 - ▶ **Each institution may utilize it for additional grant and scholarship eligibility.**
- ▶ **Won't know what eligible for until submitted – gives you a baseline to plan for future years.**
- ▶ **Insurance policy if you need financial aid in future years – must reapply each year.**

What is the Cost of Attendance?

- Tuition and fees
- + Room and board
- + Transportation
- + Books and supplies
- + Miscellaneous living expenses
- = **Cost of attendance (COA)**



Cost of Attendance

College 1

Tuition & Fees	\$30,400
Room & Board	\$9,800
Book & Supplies	\$1,500
Transportation	\$300
Miscellaneous	\$4,000
Total Cost of Attendance	\$46,000

College 2

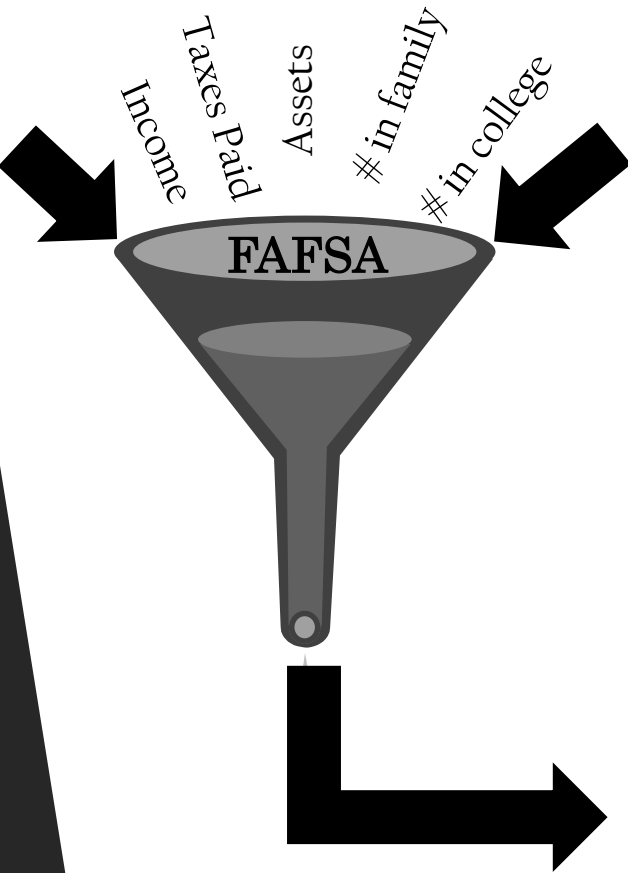
Tuition & Fees	\$9,800
Room & Board	\$8,900
Books & Supplies	\$1,200
Transportation	\$300
Miscellaneous	\$3,200
Total Cost of Attendance	\$23,400

Expected Family Contribution (EFC)

www.fafsa.gov (NOT .com)

- ▶ An index number used to calculate eligibility for aid
- ▶ Is NOT an estimate of “extra” cash available
- ▶ Is NOT what family will pay to school
- ▶ EFC Stays the same regardless of college/university

EFC Calculation:



- Established by Congress
- Uses both parent AND student info (for DEP students)
- Has standard income and asset protection allowances

Adjustments to EFC may be made by the FinAid Office due to Verification and/or Special Circumstances that limit ability to pay.

Expected Family Contribution (EFC)

EFC Example

Family Size	4
Number in college	1
Parent AGI (IRS 1040A)	\$ 52,000
Parent Untaxed Income	\$ 3,500
Parent's Assets	\$ 45,000
Student's AGI	\$ 4,500
Student's Assets	\$ 500

Parent's Contribution	\$ 3,450
(Parent's Contribution from Assets = \$1,056)	
+ Student's Contribution	\$ 100
(Student Contribution from Assets \$100)	
<hr/>	
= Expected Family Contribution:	\$ 3,550

Financial Need

Cost of Attendance (COA)

- Expected Family Contribution (EFC)

Financial Need

Need Varies By School COA

	School 1	School 2	School 3
Cost of Attendance	\$ 39,028	\$ 19,388	\$ 14,285
Less EFC	\$ 3,550	\$ 3,550	\$ 3,550
Need	\$ 35,478	\$ 15,838	\$ 10,735

College Scholarship Service/**PROFILE**

- ▶ Used by some private schools and should notify the student if required, but don't trust the website's list of participating schools.
- ▶ Collects data beyond what's required on FAFSA
- ▶ Targets institutional funds only
- ▶ Supports early estimates/early admission
- ▶ costs \$25, plus \$16 for each additional school it needs to be sent to

Net Price Calculators

- **Federally mandated**
- **Based on income information and, sometimes, academic information**
- **Will provide at least the following information:**
 - Estimated total cost of attendance
 - Total estimated merit- and need-based grant aid
 - Estimated net price (price of attendance minus gift aid)

****Find ANY calculator for ANY college/university****

▶ collegecost.ed.gov/netpricecenter.aspx

Types of Financial Aid

Sources of Aid

Grants

Loans

Work Study

Scholarships

“Free Money” vs. Loans

▶ Grants

- ▶ **Federal** – Pell Grant, Supplemental Educational Opportunity Grant (SEOG)
- ▶ **State** – Wisconsin Grant *Name Change

▶ Scholarships – Institutional, Community, Business, Organizational

▶ Work Study/Other Employment

▶ Loans

- ▶ Subsidized/Unsubsidized Federal Direct Loans
- ▶ Perkins loan
- ▶ Parent Loan for Undergraduate Students (PLUS)
- ▶ Private/alternative loans

Gift Aid - FREE

Self-Help Aid

Employment

- ▶ Federal Work Study Program
- ▶ Institutional Work Programs
- ▶ Off campus/summer employment

Studies show that students who work part-time while in school perform better academically

Scholarships

- ▶ Colleges/Universities
 - ▶ academic, athletic or other talent
- ▶ Civic organizations
 - ▶ Churches, PTA, Elks, Kiwanis, cultural leagues, etc.
- ▶ Private businesses
- ▶ Parental affiliations
 - ▶ Employers & labor unions
- ▶ Online scholarship searches

Add'l Government Resources

- ▶ AmeriCorps
- ▶ Veteran's benefits and tuition waivers
- ▶ ROTC scholarships and/or stipends
- ▶ Bureau of Indian Affairs (BIA) Grants
- ▶ State Division of Vocational Rehabilitation (DVR)

Loans

- ▶ William D Ford Federal Direct Loan Program
 - ▶ Subsidized/Unsubsidized options, Sub eligibility based on financial need
- ▶ Federal PLUS (for parents)
- ▶ State Loans
- ▶ Institutional Loans
- ▶ Private Education Loans

Loan Comparison Chart

	Federal Direct Loan (Subsidized & Unsubsidized)	Federal PLUS Loan	MN Self Loan	Private Educational Loan
Borrower	Student	Parent	Student	Student
Cosigner	None	Only if poor credit	Yes	Probable
Credit check	None	Yes	Yes	Yes
FAFSA required	Yes	Yes	Every other year	Recommended
Interest Rate	4.45% Fixed Unsubsidized or Subsidized	7% Fixed	6.0% Fixed 3.5% Variable (as of 4/01/17-Rate changes quarterly)	Variable
Fees	Origination Fee 1.069% (change Oct 1 to 1.066)	Origination Fee 4.276% (change Oct 1 to 4.264)	None	Vary by loan program & credit rating
Loan Limits	1st year-\$3500 + \$2000 2nd year-\$4500 + \$2000 3+ years-\$5500 + \$2000 Graduate-\$8500 + \$12000	Cost of Attendance less Aid	\$20,000/yr based on grade level	Cost of Attendance less Aid
Repayment	6 months after leaving school or dropping below 1/2 time	60 days after fully disbursed; may request deferment	1 year after leaving school or dropping below 1/2 time	Check with lender
Borrower Benefits	Not Applicable	Check with lender	Not Applicable	Check with lender

MN SELF LOAN

<http://selfloan.state.mn.us/index.cfm>

Private Loan Options

[https://choice.fastproducts.org/FastChoice/
home/391700/1](https://choice.fastproducts.org/FastChoice/home/391700/1)



Find out your student loan repayment options here >>

Log in to StudentLoans.gov with your verified FSA ID ?

LOG IN

Create an FSA ID
Natural Disasters



Undergraduate Students



The first step in getting student aid is completing the Free Application for Federal Student Aid (FAFSA®) at www.FAFSA.gov. You must do this every year.



Graduate/Professional Students



- Complete Entrance Counseling
- Complete Loan Agreement for a Subsidized/Unsubsidized Loan (MPN)
- Complete Financial Awareness Counseling
- Complete Exit Counseling
- Use the Repayment Estimator
- Complete TEACH Grant Initial and Subsequent Counseling
- Complete TEACH Grant Agreement to Serve
- Complete TEACH Grant Exit Counseling



Parent Borrowers



Repayment & Consolidation



How To Create An FSA ID

HEAB Resources

Wisconsin

Higher Educational Aids Board

MN-WI Tuition Reciprocity

- ▶ **Students have to apply to receive the benefit**
- ▶ **Schools may indicate the possibility of this benefit in a financial aid package, but no benefit will be allowed unless the student applies for and is approved by HEAB.**
 - ▶ **Apply for the benefit:**
heab.wi.gov/reciprocity

HEAB –

Who may receive state aid?

- ▶ State financial aid is available to WI residents enrolled at non-profit colleges/universities based in WI:
 - ▶ UW System Schools
 - ▶ WI Technical Colleges
 - ▶ Independent Colleges & Universities
 - ▶ Tribal Colleges

The FAFSA

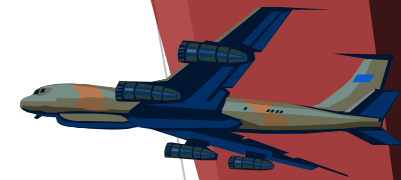
Application Process

IRS Data Retrieval

Frequent Errors

Common Questions/Confusion

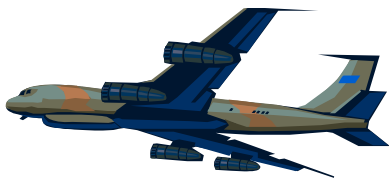
Available Resources



Selective Service Registration

All male applicants must be registered with the selective service system to receive federal student aid.

If you are a male (age 18-25) and not registered, you may do so on the FAFSA.



FAFSA Steps

- ▶ Student Demographics
- ▶ School Selection
- ▶ Dependency Status
- ▶ Parent Demographics
- ▶ Financial Information (2018 INCOME)
- ▶ Sign & Submit!
- ▶ Confirmation

Documents to Have Ready

- ▶ Social Security number (Student and parents)
- ▶ Student's driver's license number (not required)
- ▶ Alien Registration Number if not a U.S. citizen
- ▶ Federal tax info or W-2 information, for student and parents
 - ▶ IRS 1040, 1040A, 1040EZ
 - ▶ Foreign tax return and/or
 - ▶ Tax return for Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federal States of Micronesia, or Palau
- ▶ Records of untaxed income for student and parents, such as child support received, *interest* income, and veterans non-education benefits

Student Dependency Status

If you can check ANY of the following boxes, you will not have to provide parental info.

If you check NONE of the following boxes, you will be asked to provide parental info.

<input type="checkbox"/> I was born before January 1, 1995	<input type="checkbox"/> I am married	<input type="checkbox"/> I will be working on a master's or doctorate program (e.g. MA, MBA, MD, JD, PhD, EdD, graduate certificate)	
<input type="checkbox"/> I am serving on active duty in the U.S. Armed Forces	<input type="checkbox"/> I am a veteran of the U.S. Armed Forces.	<input type="checkbox"/> I now have or will have children for whom I will provide more than half of their support between July 1, 2018 and June 30, 2019	
<input type="checkbox"/> Since I turned aged 13, both of my parents were deceased	<input type="checkbox"/> I was in foster care since turning age 13	<input type="checkbox"/> I have dependents (other than children or my spouse) who live with me and I provide more than half of their support	
<input type="checkbox"/> I was a dependent or ward of the court since turning age 13	<input type="checkbox"/> I am currently or I was an emancipated minor	<input type="checkbox"/> I am currently or I was in legal guardianship	<input type="checkbox"/> I am homeless or am at risk of being homeless

Student/Parent Sections

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Student Demographics | School Selection | Dependency Status | Parent Demographics | **Financial Information** | Sign & Submit | Confirmation

Parent Tax Information

Application was successfully saved.

For 2011, has your mother completed her IRS income tax return or another tax return?
Select

PREVIOUS NEXT



NEED HELP? SAVE CLEAR ALL DATA VIEW FAFSA SUMMARY EXIT

Help and Hints

Parents Filed 2011 Income Tax Return?

Question 79

This question asks whether or not your parents have filed or will file a 2011 income tax return. If your [parents](#) are now married (even if they were not married in 2011), answer this question about them



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Student Demographics | School Selection | Dependency Status | Parent Demographics | **Financial Information** | Sign & Submit | Confirmation

Student Tax Information

For 2011, have you completed your IRS income tax return or another tax return?
Select

PREVIOUS NEXT


NEED HELP? SAVE CLEAR ALL DATA VIEW FAFSA SUMMARY EXIT

Help and Hints

Student Filed 2011 Income Tax Return?

Question 32

You must select the answer that describes your tax filing status:

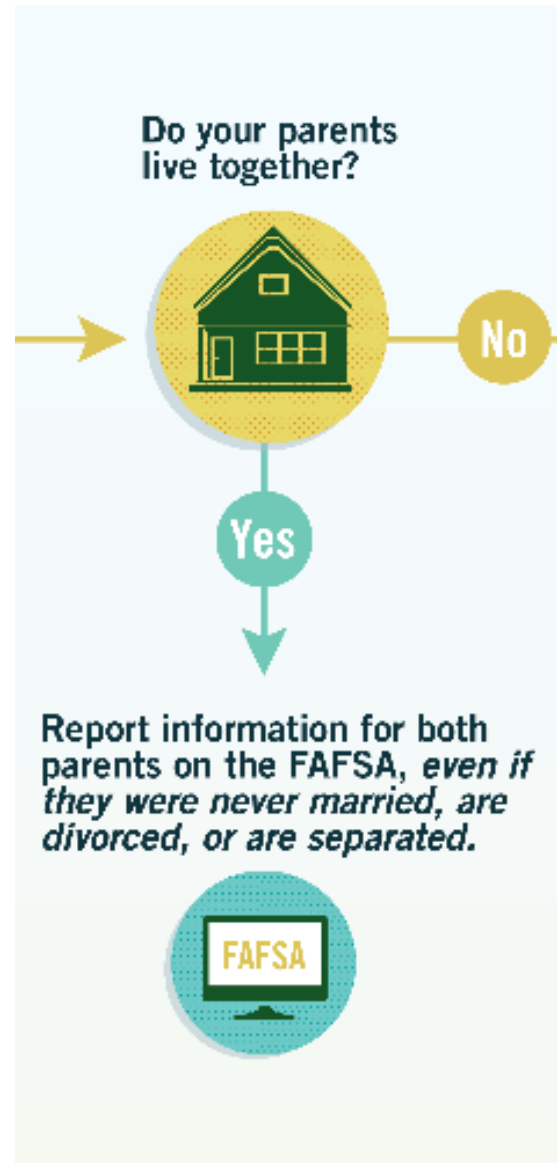


Who is considered a parent?

- Two biological or adoptive parents REGARDLESS of **marital status OR gender**, if those parents live together
 - ▶ Both parents information will be included on the FAFSA
 - ▶ Divorced or Separated parents
 - ▶ Will use information for whichever is determined to be the custodial parent
 - ▶ Step-parents

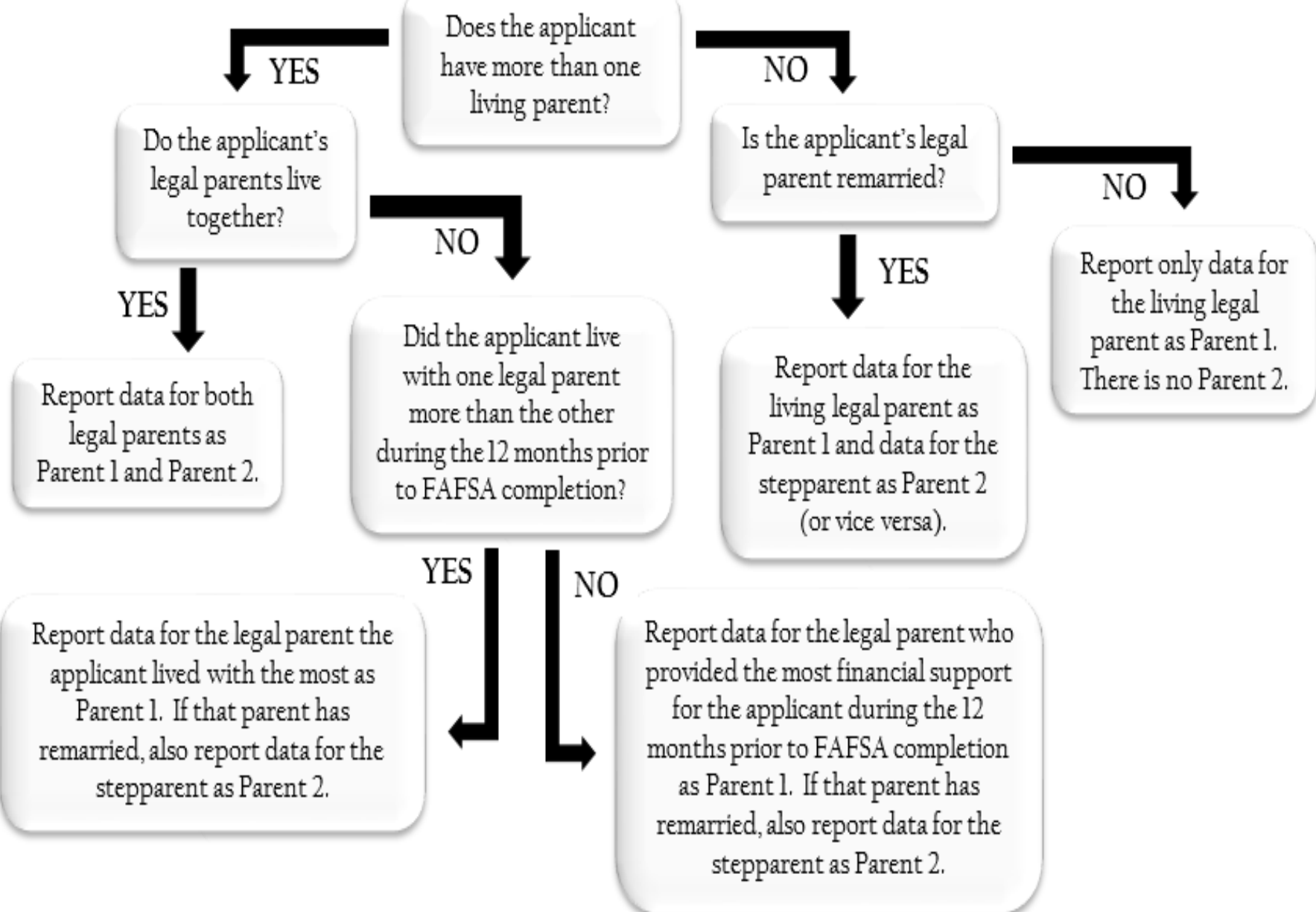
Unmarried Parents Who Live Together

If the student's parents are living together and are not married (or are divorced or are separated and living together), The student should answer the questions about both of them.



Divorced/Separated Explained

- ▶ #1 - Residency test
 - ▶ using the parent with whom the student lived with more in the past 12 months.
- ▶ #2 – More Financial Support
 - ▶ If they believe it's equal placement, then the student should give answers about the parent who provided more financial support during the past 12 months or during the most recent year that the student received support from a parent.
- ▶ If this parent has remarried, the step-parent information ***MUST*** be included on the FAFSA.



Student Aid Report SAR

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STUDENT AID REPORT
[REDACTED]



WWW.FAFSA.GOV

OMB No. 1845-0001

Dear SUZANNE SMITH,

Your Student Aid Report (SAR) summarizes the information you submitted on your 2015-16 Free Application for Federal Student Aid (FAFSA).

Application Status (review the checked boxes)

- ✓ Your FAFSA appears to be complete. **Review the data on pages 3 – 10 of your SAR and make corrections or updates if necessary.** The school(s) listed on your FAFSA will receive your information.
- ✓ Your FAFSA has been selected for verification. Verification is a process where your school confirms the data you reported on your FAFSA. Your school has the authority to contact you for documentation that supports income and other information that you reported on your FAFSA.

IRS Data Retrieval

2018 Tax Data

- ▶ Retrieve tax data directly from the IRS if eligible to use it
- ▶ Cannot be used if:
 - ▶ Did not file 2018 taxes
 - ▶ Married but filed separately
 - ▶ Married after 12/31/2018
 - ▶ Filed Amended Return
 - ▶ Filed an extension and have not filed for 2018
 - ▶ Filed Puerto Rican or Foreign Tax Returns
- ▶ If IRS Data Retrieval tool is not used the school may request “2018 Tax Return Transcript” or “Signed 2018 1040 Tax Form”

Tax Return Transcript

- ▶ Request directly from the IRS website, www.irs.gov
 - ▶ Via online or mail option
 - ▶ By phone 1-800-908-9946
 - ▶ Complete and submit IRS form 4506T.
 - ▶ Effective July 2019, the IRS will only mail tax transcript requests to the address on record, NOT to third parties such as the school.

Schools CAN accept copies of the 1040 signed by either the filer or the paid preparer.

You can get various Form 1040-series [transcript types](#) online or by mail. If you need your prior year **Adjusted Gross Income (AGI)** to e-file, choose the **tax return transcript** type when making your request. If you only need to find out how much you owe or verify payments you made within the last 18 months, you can [view your tax account](#).

The method you used to file your tax return, e-file or paper, and whether you had a balance due, affects your [current year transcript availability](#). **Note:** If you need a photocopy of your return, you must use [Form 4506](#).

Request Online

What You Need

To register and use this service, you need:

- your [SSN](#), date of birth, filing status and mailing address from latest tax return,
- access to your email account,
- your personal account number from a credit card, mortgage, home equity loan, home equity line of credit or car loan, and
- a mobile phone with your name on the account.

What You Get

- All [transcript types](#) are available online
- View, print or download your transcript
- Username and password to return later

[Get Transcript Online](#)

Request by Mail

What You Need

To use this service, you need your:

- [SSN](#) or [Individual Tax Identification Number \(ITIN\)](#),
- date of birth, and
- mailing address from your latest tax return

What You Get

- Return or Account [transcript types](#) delivered by mail
- Transcripts arrive in **5 to 10 calendar days** at the address we have on file for you

[Get Transcript by Mail](#)

Assets - Explained

- ▶ As of today, what is your total current balance of cash, savings, and checking accounts? Do not include student financial aid.
- ▶ As of today, what is the net worth of your investments, including real estate? **Don't include the home you live in.**
- ▶ As of today, what is the net worth of your current businesses and/or investment farms? Don't include a family farm or family business with 100 or fewer full-time employees or full-time equivalent employees.
- ▶ Net worth means current value minus debt

Assets - Explained

- ▶ Investments INCLUDE:
 - ▶ real estate (but not the home you live in),
 - ▶ trust funds, UGMA/UTMA accounts,
 - ▶ money markets
 - ▶ mutual funds, stocks, bonds, other securities,
 - ▶ installment and land sale contracts, etc.
 - ▶ Qualified educational benefits or education saving accounts
 - ▶ Coverdell savings accounts
 - ▶ 529 plans.

Assets - Explained

▶ Investments **DO NOT INCLUDE:**

▶ The home you live in, the value of life insurance, retirement plans (401k's), pension funds, annuities, non-education IRAs, Keogh plans, etc.

▶ Business and/or investment farm assets are **excluded if:**

▶ related family members own more than 51% of the business

AND

▶ It has less than 100 full-time or equivalent employees.

Untaxed Sources of Income

- ▶ Payments to tax-deferred pension or savings plans
- ▶ IRS deductions and payments to self-employed SEP, SIMPLE, Keogh, and other qualified plans
- ▶ Child support received for any children in the household
- ▶ Tax exempt interest
- ▶ Untaxed portions of IRA distributions
- ▶ Untaxed portions of pensions
- ▶ Housing, food, and other living allowances paid to members of the military, clergy, or others (including cash payments and cash value of benefits)
- ▶ Veterans non-educational benefits, such as disability, death pension, etc.

Frequent FAFSA Errors

- ▶ Missing Signatures/PIN
- ▶ Wrong Social Security Number
- ▶ Not using name as listed on Social Security Card
- ▶ Divorced/remarried parent information
- ▶ Incorrect reporting of earned income, untaxed income, or federal income taxes paid
- ▶ Listing parent financial information as student's or vice versa
- ▶ **Household size/number in college**
- ▶ Real estate and investment net worth/small business net worth
- ▶ Wrong state of residence; info won't go to HEAB

Comparing Aid Offers

- ▶ Start with tuition, fees, room, and board
- ▶ Subtract any grant and scholarship offers first
- ▶ The difference is the “net cost”
- ▶ Always compare the NET COST of each school
- ▶ Do not subtract Work Study as a lump sum disbursement

Resources

The background features abstract geometric shapes in shades of red, grey, and black, primarily concentrated on the right side of the frame. The shapes are layered and semi-transparent, creating a modern, dynamic aesthetic.

Get FAFSA Help

- Free program to help families complete the FAFSA (Free Application for Federal Student Aid)
- 43 events at 41 locations
- **ATTEND AN EVENT TO BE ENTERED TO WIN A SCHOLARSHIP!**
- 99 percent of the families felt it was worth attending



College Goal Wisconsin 2019-2020

- ▶ COLLEGE GOAL WISCONSIN IS BACK!
- ▶ Wednesdays, October 2, 9, 16, 23, 30
- ▶ Mondays, October 7, 14, 21, 28
- ▶ Thursday October 17
- ▶ Monday, November 4
- ▶ Wednesday, November 6
- ▶ ALL EVENTS START PROMPTLY AT 6 P.M.

For location information:

Visit www.Collegegoalwi.Org



Eau Claire

Chippewa Valley Technical
College

620 W. Clairemont Ave
(Business Ed Center)



Wednesday, October 16th
Start Time - 6:00pm

Resources – YouTube!

7 easy steps to FAFSA

▶ [http://www.finaid.ucsb.edu/
FAFSASimplification/step1.html](http://www.finaid.ucsb.edu/FAFSASimplification/step1.html)

Questions?

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