

**National Association of Student
Financial Aid Administrators Presents ...**

What You Need to Know About Financial Aid

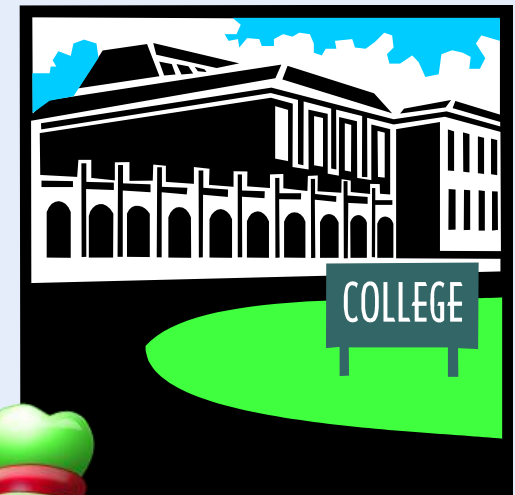
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Topics We Will Discuss Today

- What is financial aid?
- Categories, types, and sources of financial aid
- FSA ID
- Free Application for Federal Student Aid (FAFSA)
- Special circumstances

What is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses



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Types of Financial Aid

- Scholarships
 - Grants
 - Loans
 - Employment
- Gift Aid
- Self-Help Aid
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# Gift Aid: Scholarships

- Money that does not have to be paid back
- Awarded on the basis of merit, skill, or unique characteristic

# Gift Aid: Grants

- Money that does not have to be paid back
- Usually awarded on the basis of financial need

# Self-Help Aid: Loans

- Money students and parents borrow to help pay college expenses
- Repayment usually begins after education is finished
- Only borrow what is really needed
- Look at loans as an investment in the future

# Self-Help Aid: Work-Study Employment

- Allows student to earn money to help pay educational costs.
- If you think you will want work study then mark yes when you complete your FAFSA.



# Sources of Financial Aid

- Federal government
- States
- Colleges and universities
- Private sources
- Civic organizations and churches
- Employers

# Federal Government

- Largest source of financial aid
- Aid awarded primarily on the basis of financial need
- Must apply each year using the FAFSA

# Colleges and Universities

- Award aid on the basis of both merit and need
- Aid may be gift aid or self-help aid
- Use information from the FAFSA and/or institutional applications
- Deadlines and application requirements vary by institution
  - Check with each college or university

# FSA ID

- Before you start to work on your FAFSA both the student and parent will need to create an FSA ID.
- This is your electronic signature with the Department of Education.

# Free Application for Federal Student Aid (FAFSA)

- A standard form that collects demographic and financial information about the student and family
- May be filed electronically or using paper form
  - Available in English and Spanish

# FAFSA on the Web

Federal Student Aid  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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FAFSA<sup>SM</sup>  
Free Application for Federal Student Aid



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- Website: [www.fafsa.gov](http://www.fafsa.gov)
- FAFSA on the Web will be available starting in October this year.
- FAFSA on the Web Worksheet:
  - Used as “pre-application” worksheet
  - Questions follow order of FAFSA on the Web

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# IRS Data Retrieval Tool

- When completing the FAFSA you and your parent(s) will have to complete income information.
- The best option is to use the IRS Data Retrieval Tool.
- This links the information from your tax return straight to the FAFSA, it will save a great deal of time and prevent errors.

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# IRS Data Retrieval Tool

- Some will be unable to use IRS DRT
- Examples include:
  - Filed an amended tax return
  - No SSN was entered
  - Student or parent married but filed separately



# General Student Information

- Social Security Number
- Citizenship status
- Marital status
- Drug convictions
- Selective Service registration
- Level of parents' school completion

# Student Dependency Status

FAFSA asks questions to determine dependency status for federal student aid (not IRS) purposes:

- If all “No” responses, student is dependent
- If “Yes” to any question, student is independent

# Signatures

- Required
  - Student
  - One parent (dependent students)
- Format for submitting signatures
  - Electronic using FSA ID
  - Signature page
  - Paper FAFSA

# Frequent FAFSA Errors

- Social Security Numbers
- Divorced/remarried parental information
- Income earned by parents/stepparents
- Untaxed income
- U.S. income taxes paid
- Household size
- Number of household members in college
- Real estate and investment net worth

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# FAFSA Processing Results

- Email will be sent to student when the FAFSA has initially processed.
- Institutional Student Information Record (ISIR) sent to colleges listed on FAFSA approximately 10 to 14 days after FAFSA is submitted
- College reviews ISIR
  - May request additional documentation

# Special Circumstances

- Cannot be documented using FAFSA
- Send written explanation and documentation to financial aid office at each college
- College will review and request additional information if necessary
- Decisions are final and cannot be appealed to U.S. Department of Education

# Special Circumstances

- Change in employment status
- Unusual medical expenses not covered by insurance
- Change in parent marital status
- Unusual dependent care expenses
- Student cannot obtain parental information



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**NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS**