

Funding Your College Education

Basics of Financial Aid and the 2022-23 FAFSA

October 2021



What We Will Cover

- Financial Aid Timeline and Overview
 - Types and sources of aid
 - Federal and state programs
 - Other aid options
- The Free Application for Federal Student Aid (FAFSA) Terminology
- FAFSA Sections
 - Online process and benefits
 - Key elements
- Next Steps



Timeline: Important Tasks

- Annually File the FAFSA after Oct 1
 - NOW: Gather 2020 tax information.
 - Student and one parent must apply for separate Federal Student Aid ID's (FSA ID)
 - File 2022-23 FAFSA at: studentaid.gov/h/apply-for-aid/fafsa
 - Use the IRS Data Retrieval Tool
 - Many IN colleges have a March 1 priority filing date
 - April 15 is Indiana's FAFSA receive by date for students who wish to be considered for state-based aid
 - After filing the FAFSA, watch for and respond to all college-requested verification documents

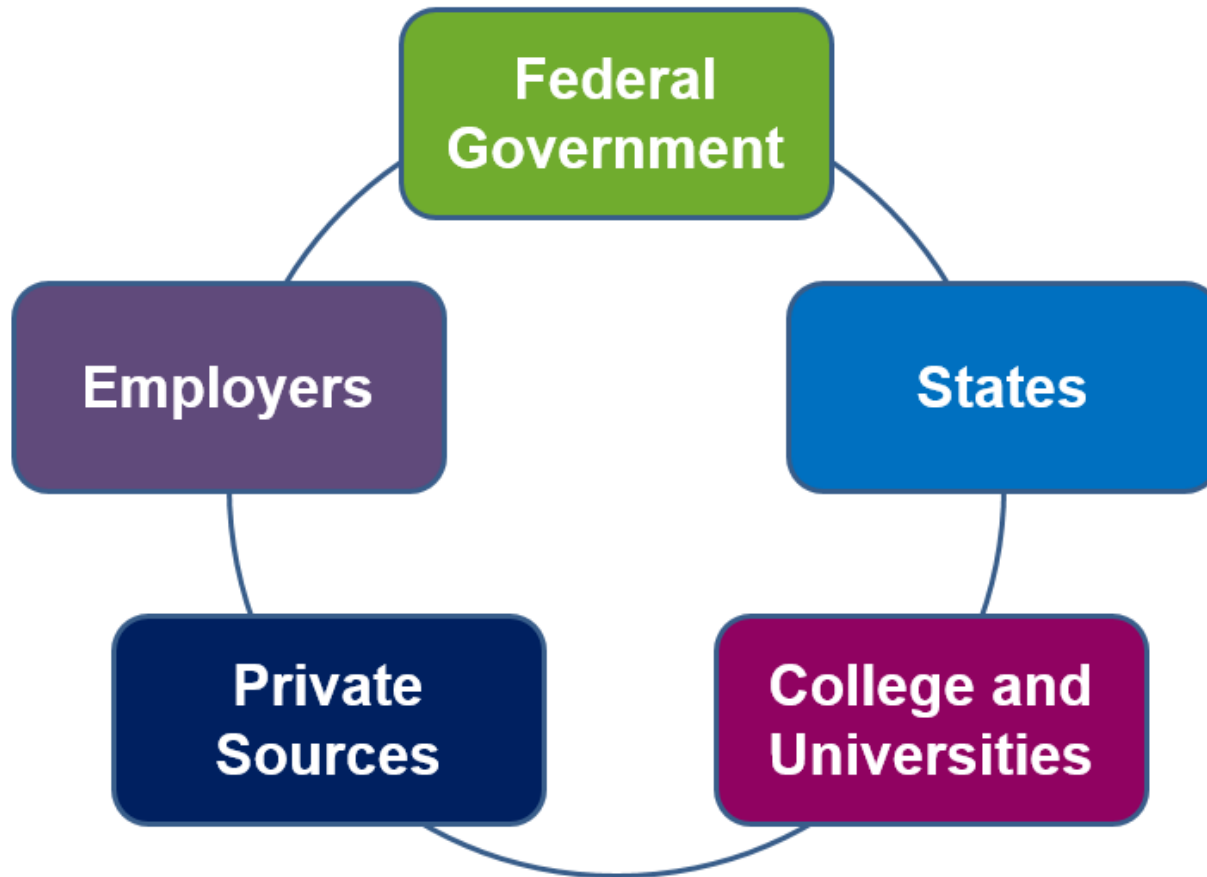


Financial Aid Overview

- Primary goal: Funds to assist students/families pay for postsecondary educational expenses
- Achieved by:
 - Evaluating family's ability to pay educational costs
 - Distributing limited resources in an equitable manner
 - Providing balance of gift aid and self-help aid



Sources of Financial Aid



Types of Aid

- Gift Aid (Free Money):
 - Grants
 - Scholarships
 - Need-based
 - Merit-based
- Self-Help Aid:
 - Student Employment
 - Educational Loans



Federal Title IV Aid

Awarded primarily on basis of financial need

- Grants

- Pell Grant (**Up to: \$6,495 in 2021-22**)
- Supplemental Educational Opportunity Grant (SEOG) (**Up to: \$800 in 21-22**)
- TEACH Grant (**Up to: \$4,000 in 2021-22**)

- Federal Work-Study (FWS)

- Earn money to use for educational expenses
- College/University determines eligibility

- **Amounts subject to change annually**



Student Employment

- Benefits
 - Earn cash for college
 - Minimize student loans
 - Job/Interview experience
 - Time management skills
- Internships
 - Gain work experience
 - Academic credit
 - Earn cash for college



State of Indiana Programs

- Frank O'Bannon Grant Program
 - Higher Education Award
 - Freedom of Choice Award
- Evan Bayh 21st Century Scholars Program
- Complete 30 credit hours each year to maintain maximum eligibility and graduate on time
- For additional information visit in.gov/che



State of Indiana:



ScholarTrack

www.ScholarTrack.IN.gov

www.scholartrack.in.gov

- Web portal where students and colleges can view and update information pertaining to state financial aid awards
- Access to Indiana residents who have filed a FAFSA (access typically starts in February)
- Monitor edit notifications
- View State grant amounts
- Update school choice as needed



Scholarship Sources of Funds

- Colleges & Universities
 - Need Based
 - Merit Based
- Local & Community
 - High School Counselor
 - Community Foundation
 - Civic and Church Organizations
 - Place of Employment

Top FREE Search Sites:

fastweb.com

unigo.com/scholarships

cappex.com/scholarships



Federal Title IV Aid

- Federal Direct Loan (**2021-22: 3.73% rate, 1.057% fee**). Subsidized or Unsubsidized
- Federal Direct Parent Loan (PLUS) (**2021-22: 6.28% rate, 4.228% fee**). Unsubsidized
(Federal loan rates/fees subject to change annually)
- All educational loans MUST be repaid. Read the fine print/choose wisely before making a decision

Note: Private Lenders also offer educational loans. Terms and interest rates vary



What is Expected Family Contribution?

- EFC = Measurement of amount family can reasonably be expected to contribute
- Two components:
 - Student contribution (Income & Assets)
 - Parent contribution (Income & Assets)
- EFC stays the same regardless of college choice
- Cost of Attendance (COA) varies between colleges



Direct Costs versus COA

- **Direct Costs** – What student pays directly to an institution (tuition, fees, possibly food/housing)
- **Cost of Attendance** – Includes direct costs + federal required estimates for books/supplies, transportation, living expenses, etc..

Cost of attendance (COA)

- Expected family contribution (EFC)
- = Financial need



The FAFSA

- Collects demographic and financial information
- Available in English and Spanish
- Information used to calculate the family EFC
- Colleges use EFC to award financial aid



FAFSA on the Web (FOTW)



myStudentAid mobile app



Paper or PDF FAFSA



FAFSA on the Phone (FOTP)



FAA Access to CPS Online



FSA ID <https://fsaid.ed.gov/npas/index.htm>

- Username/password for student and parent FAFSA log-in
- Confirms identity
- Used in subsequent academic years
- Your electronic signature

Note: Don't use a high school email address. Student/Parent should use separate email addresses

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION
PROUD SPONSOR of the AMERICAN MIND®

Create a New FSA ID

New to FSA? **Create an FSA ID** account below. 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.

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.

[Need help creating an FSA ID?](#)

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

Manage My FSA ID

Please enter your:

E-mail

Confirm E-mail

Username

Password

Confirm Password

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

[CONTINUE](#)

FAFSA on the Web

- Why file electronically:
 - Built-in edits to help prevent costly errors
 - Skip-logic allows student and/or parent to skip unnecessary questions
 - Timely submission of original application and any necessary corrections
 - Detailed instructions and “help” for questions
 - Ability to check application status on-line
 - Simplifies the renewal application process



FAFSA on the Web:

<https://studentaid.gov/h/apply-for-aid/fafsa>

 An official website of the United States government.

Help Center English | Español



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UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾

Complete the FAFSA® Form

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



FAFSA on the Web

Login

Log in to the FAFSA

Only students may use their FSA ID to log in. Parents and others can start a FAFSA for a student by entering the student's identifiers. Parents and others can also work on a FAFSA form or correction the student started using the **Save Key** that the student made. [Help for parents.](#)

☒ I am the student

OR

☐ I am a parent, preparer, or student from a Freely Associated State

[NEXT](#)

Form Approved
OMB No. 1845-0001
App. Exp. 12/31/2019.

Site Last Updated: Sunday, July 22, 2018

Download [Adobe Reader](#)

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Getting Started

- Select: Start 2021-2022 FAFSA, if starting in fall 2021
- Create a Save Key (4-8 character password)
 - Allows application to be saved and returned to later
 - Can be shared with parents to allow access

STUDENT INFORMATION

Form Approved
OMB No. 1845-0001
App. Exp. 12/31/2019.

Create a Save Key.
The Save Key is for temporary use for you or your parent to return and complete this specific FAFSA.

Create a Save Key ?

Re-enter Save Key ?

MY FAFSA ➔

NEXT ➔



General Student Information

- Social Security Number
- Citizenship status
- Marital status
- Drug conviction of possession or sale
- Selective Service registration
- Highest education level completed by father/mother
- School Selection
 - Enter and confirm High School attended
 - List up to ten different colleges/Pick housing plan
 - Encouraged to list at least one Indiana college



Student Dependency Status

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

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



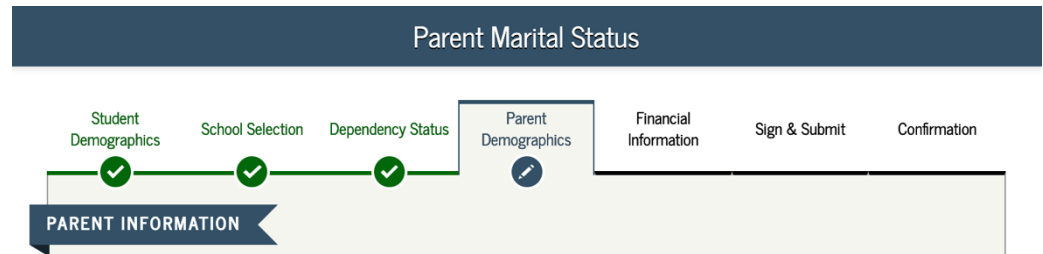
Dependent or Independent?

- Born before January 1, 1998
- Married
- Serving on active duty or veteran of U.S. Armed Forces
- Dependents that you support
- Court determined you are emancipated minor or under legal guardianship
- Since turning 13 – in foster care, orphan/ward of the court or parents are deceased
- Designated as homeless or self-supporting and at risk of being homeless
- Graduate/Professional program student

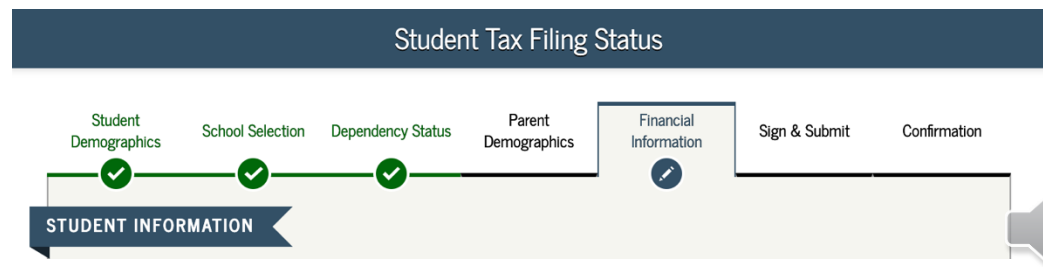


Dependent or Independent Student

- Dependent Student
 - Requires parent(s) info on the FAFSA
 - Demographic and Financial



- Independent Student
 - Requires only student info on the FAFSA
 - Skips both parent demographics and financial info
 - If married, student & spouse combined income reported



Parent Information

- Who is considered a parent?
 - Biological or adoptive parent
- Whose parent information is included on the FAFSA?

Marital Status	Whose information needs provided
Married or unmarried and living together	Both Parents
Divorced, separated or never married	The parent the student lived with more during the past 12 months. If that time is even then provide information for the parent that provided more financial support for the past 12 months.
Remarried after widowed or divorced	Parent and step-parent
Widowed	Single parent



IRS Data Retrieval Tool

- Allows for certain tax return information to be transferred from the IRS database
- Participation is voluntary and student chooses whether or not to transfer data to FOTW
- IRS will authenticate taxpayer's identity
- If tax record is found, IRS transfers information to populate the FAFSA
- Reduces documents requested by financial aid office



IRS Data Retrieval Tool

Certain tax filers cannot use the IRS Data Retrieval Tool

Did not
indicate on
FAFSA a
tax return
was
completed

Marriage
date is
January
2019, or
later

First three
digits of the
SSN are
666

Filed a
non-U.S.
tax return

Married
and filed as
head of
household,
or filed
separate
returns

Neither
married
parent
entered a
valid SSN

Non-
married
parent or
both
married
parents
entered all
zeroes for
the SSN



Financial information

- Main data elements:
 - Filing status (Single, married filing joint, married filing separate, head of household and qualifying widower)
 - Will be cross referenced with marital status
 - Adjusted Gross Income (AGI)
 - Income Tax Amount (**NOT** taxes withheld)
 - Exemptions
 - Parent Income: Separate parent 1 & parent 2 income if both parents are working



Additional Financial Aid Info

- Additional Financial Information
 - Child support paid
 - Taxable earnings from Federal Work-Study
 - Grant and scholarship aid reported to IRS
- Untaxed Income
 - Payments to tax deferred pension/retirement account
 - Child support received
 - Untaxed portions of IRA or pension distributions
 - Housing, food, living allowances
 - Money received/paid on your behalf (Student section)



Student and Parent Sign/Submit

Signature Status

Student Demographics

School Selection

Dependency Status

Parent Demographics

Financial Information

Sign & Submit

Confirmation


i Both you and a parent need to sign your FAFSA.

Only sign for yourself. If you and your parent are not together, one of you can sign, save the application and then exit. Give the "save key" to the other person who can log in with it and sign and submit the FAFSA.

Be sure not to mix up your and your parent's FSA IDs when signing.


Student Signature Needed

Signature Status: **Unsigned**

PROVIDE STUDENT SIGNATURE 

Parent Signature Needed

Signature Status: **Unsigned**


PROVIDE PARENT SIGNATURE 



Complete FAFSA/Confirmation Page

- Key Elements:
 - Confirmation Number
 - EFC, Estimated Pell (if eligible), Direct Student Loan
 - Option to transfer parent info if multiple students


2020-2021 Confirmation Page

**Congratulations, John!**
Your FAFSA was successfully submitted to Federal Student Aid.

Confirmation Number: F 13309782804 08/18/2019 19:13:40
Data Release Number ([DRN](#)): 9999

What Happens Next

- In 7-10 business days, we will mail you a Student Aid Report (SAR) notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

[PRINT THIS PAGE](#) 

[> Expand All](#)

> **Estimated** Expected Family Contribution (EFC) = 999999

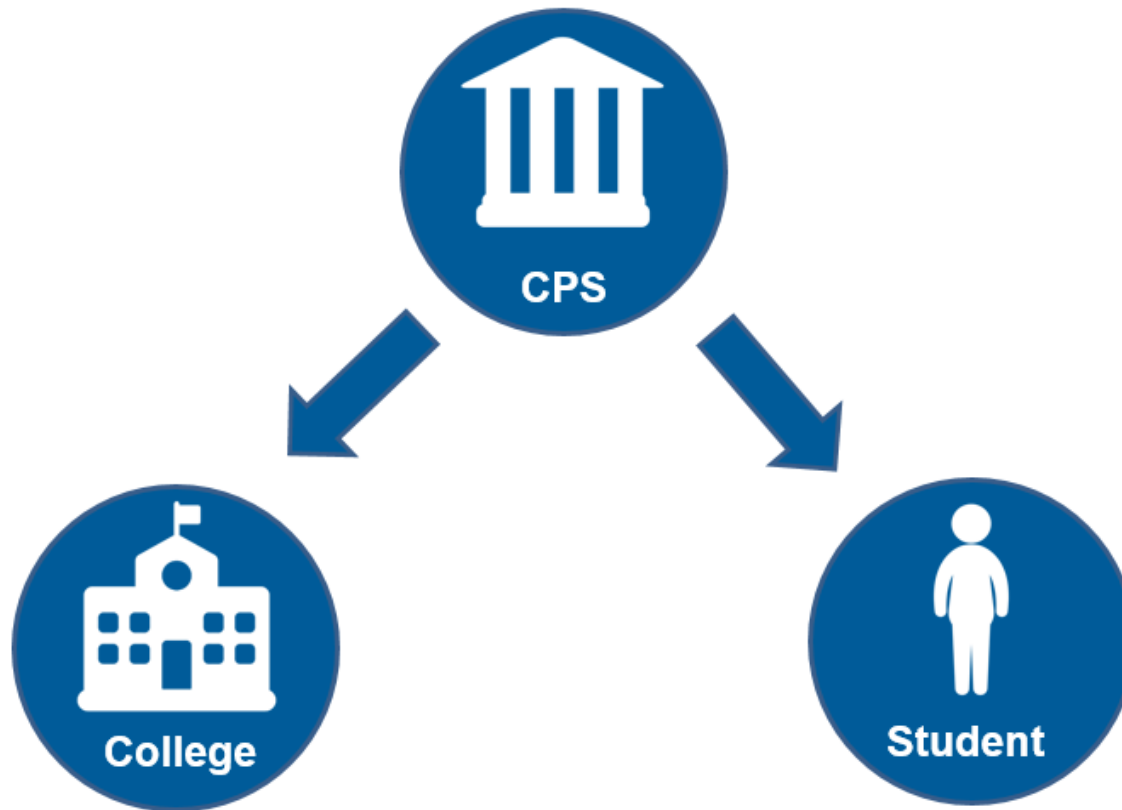


Frequent FAFSA Errors

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



FAFSA Processing Results



Email Notification of Student Aid Report (SAR) Processing

SAR for 2018-2019 (Student Aid Report)		966-08-0007 DE 03
Form Approved OMB No. 1845-0051		EFC: 4589°C
App. Exp. 12/31/2019		
<small>The grids below contain information from your student aid application (shaded items display parent information, if provided). This is your copy of your application data for your records only. Do NOT mail this document or a copy of this document to the U.S. Department of Education. We will not return this copy to you. You may make corrections from the Department of Education's Web page (fafsa.gov). You must use your FSA ID to access your record online.</small>		
1. Student's Last Name	2. Student's First Name	3. Student's Middle Initial
4. Student's Permanent Mailing Address	5. Student's Permanent City	6. Student's Permanent State
7. Student's Permanent ZIP Code	8. Student's Social Security Number	9. Student's Date of Birth
10. Student's Telephone Number	11. Student's Current License Number	12. Student's Current License State
13. Student's E-mail Address	14. Student's Citizenship Status	15. Student's Alien Registration Number
16. Student's Marital Status	17. Student's Marital Status Date	18. Student's Date of Legal Residence
19. When Student's Legal Residence Before January 1, 2017	20. Student's Legal Residence Date	21. Is the Student Male or Female?
22. Highest Student Health Insurance System?	23. Does Condition Affecting Eligibility?	24. Parent 1 Educational Level
25. Parent 2 Educational Level	26. High School or Equivalent Completed?	27a. Student's High School Name
27b. Student's High School City	27c. Student's High School State	28. First Bachelor's Degree Before 2015-2019 School Year?
29. Student's Degree Level in College in 2018-2019	30. Type of Degree Earned?	31. Intended to Graduate?
32. Student's 2018 Income Tax Return?	33. Student's Type of 2018 Tax Form Used	34. Student's 2018 Tax Return Filing Status
35. Student's 2018 Income Tax Return Filing Status	36. Student's 2018 Adjusted Gross Income	37. Student's 2018 U.S. Income Tax Paid
38. Student's 2018 Exemptions Claimed	39. Student's 2018 Income Earned From Work	40. Spouse's 2018 Income Earned From Work
41. Student's Total of Cash, Savings, and Checking Accounts	42. Student's Net Worth of Current Investments	43. Student's Net Worth of Business/Investment Firms
44a. Student's Education Credits	44b. Student's Child Support Payments	44c. Student's Taxable Earnings from Non-Exempt Employment Programs
44d. Student's College Grant and Scholarship Aid Reported to FAFSA as Income	44e. Student's Taxable Capital Gains Reported to FAFSA	44f. Student's Cooperative Education Earnings
44g. Student's Payments to Tax-Deferred Pensions & Retirement Savings	44h. Student's Deductible Payments to IRA/401(k)/Other	44i. Student's Child Support Received
44j. Student's Tax Exempt Interest Income	44k. Student's Unearned Portion of IRA Distributions	44l. Student's Unearned Portion of Pensions
44m. Student's Housing, Food, & Living Allowances	44n. Student's Veterans Homeownership Benefits	44o. Student's Other Unearned Income or Benefits
44p. Money Received as Pledges or Student Debt		

- If valid email address is provided on FAFSA

- Provides access to electronic SAR at studentaid.ed.gov/sa/fafsa



SAR or SAR Acknowledgement

Federal Student Aid
OFFICE OF THE ASSISTANT SECRETARY
STUDENT AID REPORT
2018-2019

HTTPS://FAFSA.GOV OMB No. 1845-0001
APRIL 22, 2018 DATA RELEASE NUMBER (DRN): 9755
000001C001 F 211 1819 EXPECTED FAMILY CONTRIBUTION (EFC): 000000.00
JOHN SMITH
742 EVERGREEN TERRACE
SPRINGFIELD OH 55555

Dear JOHN SMITH,
Your Student Aid Report (SAR) summarizes the information you submitted on your 2018-2019 Free Application for Federal Student Aid (FAFSA).

Application Status (review the checked boxes)

- ☒ Your FAFSA appears to be complete. If necessary, the school will contact you for more information.
- ☒ Your FAFSA has been reported on your FAFSA and other information that you provided.

Federal Student Aid Eligibility (review the checked boxes)

The data submitted on your FAFSA is used to calculate your Expected Family Contribution (EFC), which is 000000.00. The EFC is not the amount of money that your family must provide. Rather, you should think of the EFC as an index that colleges use to determine how much financial aid you would receive if you were to attend their school. Financial aid may include grants (free funds that do not have to be repaid), work-study (paid part-time employment), and/or low-interest loans (borrowed funds that must be repaid). This award information will vary from college to college because the cost of attending each is different. Please note that your EFC is subject to change if you update or correct your FAFSA. For more information about the EFC and other sources of aid, go to StudentAid.gov.

☒ Based on your EFC it appears that you may be eligible for a Federal Pell Grant of up to \$5920, provided you have not met or exceeded the lifetime limit established for the Federal Pell Grant program. You may also be eligible for other grants, work-study opportunities, and low-interest student loans. Your Financial Aid Administrator (FAA) will determine what types of aid and how much you are eligible to receive.

☒ We sent your information to other federal agencies through computer matching programs to verify your eligibility for federal student aid and there appears to be an issue with the information provided on your application. You can review information about these issues by going to https://fafsa.gov and selecting "View or Print your Student Aid Report (SAR)" after logging in. You must work with your financial aid office to resolve any data matching issues before we can determine if you are eligible to receive federal student aid.

☒ Unless you are completing the verification process, it may be too late for you to make corrections or give us any more information this year. If you are completing verification and you need to correct your information, contact the Financial Aid Administrator (FAA) at your school for assistance. We must have your corrections no later than September 14, 2019.

You should keep this SAR Acknowledgement for your records!

999999C999 PAGE 1 OF 3 012345678910M01

- SAR mailed if paper FAFSA filed without an email address
- SAR Acknowledgement mailed if FOTW filed without an email address



Institutional Student Information Record

(ISIR)

Sample ISIR

20XX-20XX Institutional Student Information Record

```

*****
* IMPORTANT: Read ALL information to find out what to do with this Report. *
*****
                                     OMB Number: 0999-0999
                                     1000000000 DD, CCVV
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
                                     EPC 0999999 X

```

```

999
*** ** ***** ***** ** ***** ** ** ** ***** ***** *****
***** ** ** ** ***** ***** ** ** ***** ** ***** ** *****
** ** ** ***** ** ***** *****

```

```

595
NN  NN  NN  NNNNNNNNNN  NN  NN  NN  NN  NNNNNNN  NN  NN  NN  NNNNNNN  N  NNNNNNN  N  NNNNNNN
NN  NNNNNNN  NN  NNNNN  NNNNNNN  NNNNNN  NN  NN  NNNNNNN  NN  NN  NNNNNNN  NNNNNNN  NNNNN  NN
NNNN  NN  NNNNNNNNNNNNN  NNNNNNNNN  NN  NNNNNNN  NN  NN  NNNNNNN  NN  NN  NN  NNNNNNN  NN  NN
NN  NN  NN  NNNNNNNNN  NN  NN  NNNNNNN  NN  NNNNNNNNN  NNNNNNNNNNN  NNNNNNNNNNNNNNNNNNNNNNNNNNN
NNNNNNNNNNNNNNNNNNNNNN  NN  NN  NN  NN  NNNNNNNNN  NNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNN
NNNN  NNNNNNNNN

```

[illegible]

```

999
*** THIS MESSAGE CONTAINS *** SENSITIVE *** INFORMATION ***
*** IT MAY BE UNCLASSIFIED *** BY *** THE *** INFORMATION ***
*** SYSTEM *** ON *** THE *** DATE *** BY ***
*** THE *** INFORMATION ***

```

[illegible]

```

999
XXX XXXX XXXXXX XXXXXXXXXX XXX XXXXXX XXXX XXXX XX XXXX XXXXXXXXXXXXXXXX XXXXX

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[illegible]

Page 1 of 6

999-99-9999 XX 99

- CPS sends results to colleges listed on the FAFSA
- College reviews ISIR and may request additional documentation



Making Corrections

If necessary, corrections to FAFSA data may be made by:

- FAFSA on the Web, if student has a FSA ID
- Updating paper SAR
- Submitting documentation to college's financial aid office

You can also:

- [View or Print your Student Aid Report \(SAR\)](#)
- [Make FAFSA Corrections](#) to make a change, add a school, or transfer IRS data into your FAFSA
- [View Correction History](#) to view corrections made to your FAFSA
- [Create a shareable file with some of your student information using MyStudentData Download.](#)

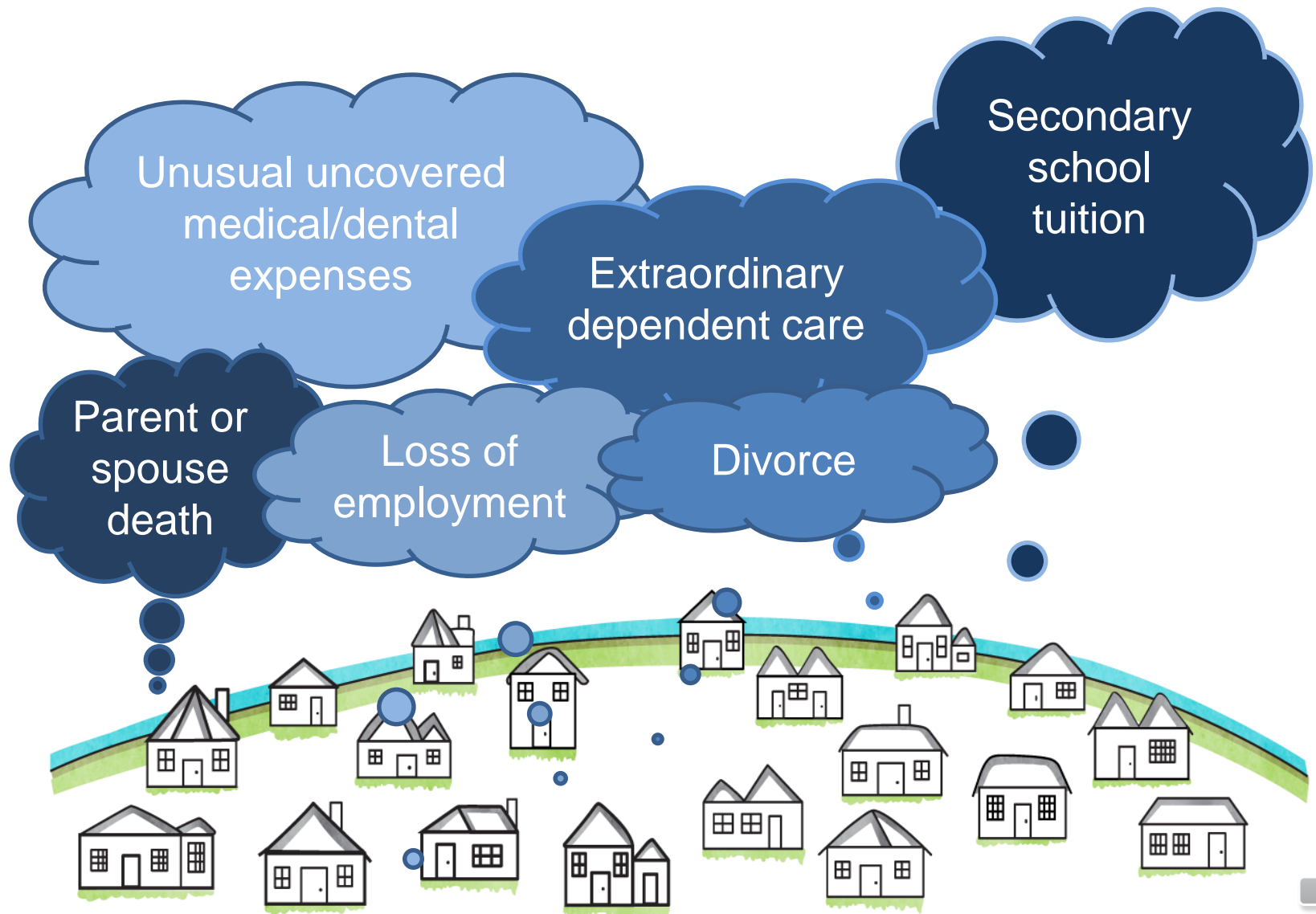


Award Notice

- Each School provides an award notice outlining the following:
 - Cost of Attendance
 - Financial Aid Awards received
 - Options for paying any remaining balance
- Timing and delivery method varies by college
- What you should do:
 - Review Costs and Awards
 - Clearly understand your financial obligations
 - Ask the Financial Aid Office any questions



Special Circumstances



College Goal Sunday

- **FREE** expert advice
- November 7, 2021
- Ivy Tech Campus
 - 3101 S Creasy Lane
Lafayette
- www.collegegoalsunday.org



Thank you

Thanks for
Attending!