Financial Aid Basics
2024-25 application year
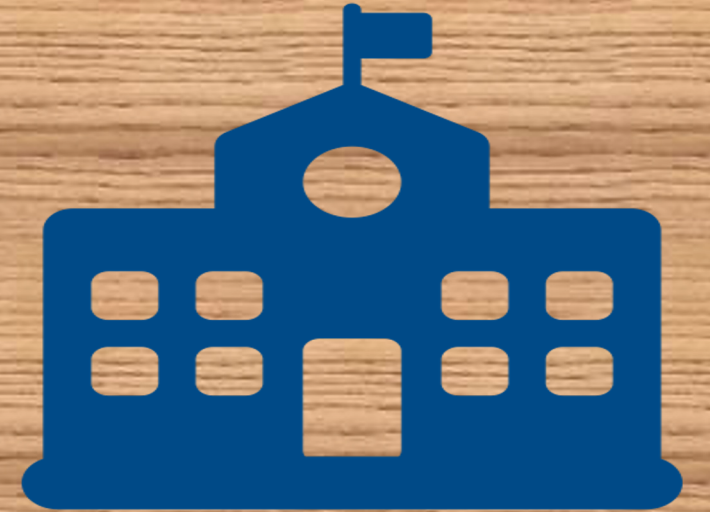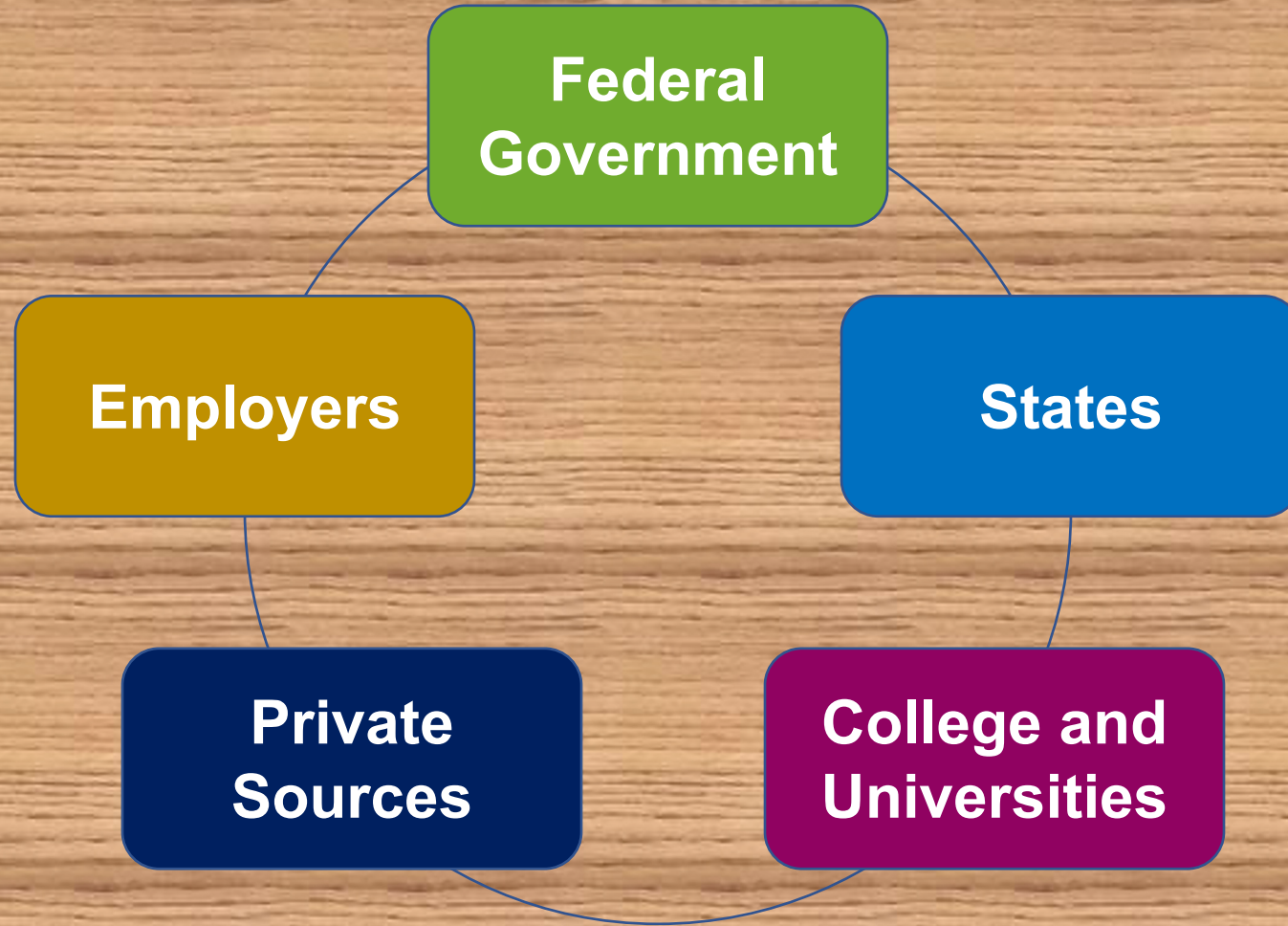
High School Night 2023

What is Financial Aid?

Financial Aid –

Funds provided to students to help pay for educational expenses.

Sources of Financial Aid
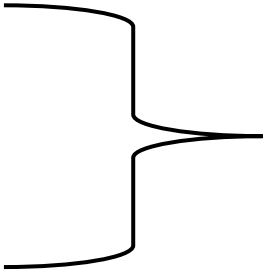
Types of Financial Aid

Scholarships

Grants

Loans

Employment

Gift Aid-Does not have to be paid back

Self-Help Aid-Loans Do have to be paid back. Employment does not come off tuition bill

Federal Student Aid Programs

- Federal Pell Grant

- Teacher Education Assistance for College and Higher Education (TEACH) Grant

- Federal Supplemental Educational Opportunity Grant (FSEOG)

- Federal Work-Study (FWS)

- Subsidized and Unsubsidized Federal Direct Student Loans (Direct Loans)

- Federal PLUS Loans

New York State (www.hesc.ny.gov)

- Tuition Assistance Program (TAP)/Aid for Part Time Studies (APTS)

- Residency requirements apply

- Award aid on the basis of both merit and need

- Uses information from the FAFSA to determine the award

New York State (www.hesc.ny.gov)

- Combined Federal AGI of $125,000 or less, as reported on 2022 Federal Tax Return

- Application Deadline usually July/August 2024 for Fall 2024

- 30 Credit Requirement in One Year

- Have to live in New York after completing degree (execute a Contract agreeing to reside in NYS for the length of time the award was received, and, if employed during such time, be employed in NYS)

Private Sources

- Foundations, businesses, charitable/civic organizations, churches, high school, web searches

- Deadlines and application procedures vary widely

- Begin researching private aid sources early

- Colleges and Universities- based on merit and financial need. May require institutional application

Loans

- Federal Direct Loans for Students (sub and unsub)

- Parent PLUS Federal Loans

- Alternative/Private Loans

What is Financial Need?

Cost of Attendance

– Student Aid Index (new term)

_____

= Financial Need

What is Cost of Attendance (COA)?

- Direct costs (tuition, fees, room & board)

- Indirect costs (transportation, personal expenses)

- Varies widely from college to college

What is Student Aid Index(SAI)?

Measurement of student's _and_ parent's ability to pay postsecondary educational expenses

Student contribution

Parent contribution
(for dependent students)

What is the FAFSA?

- **F**ree **A**pplication for **F**ederal **S**tudent **A**id- Standard <u>FREE</u> form that collects information about the student and the parent. Can complete on the Web or Mobile!

- You do not pay to submit the FAFSA.

- Starting point for the financial aid process

- Changes for 24-25!
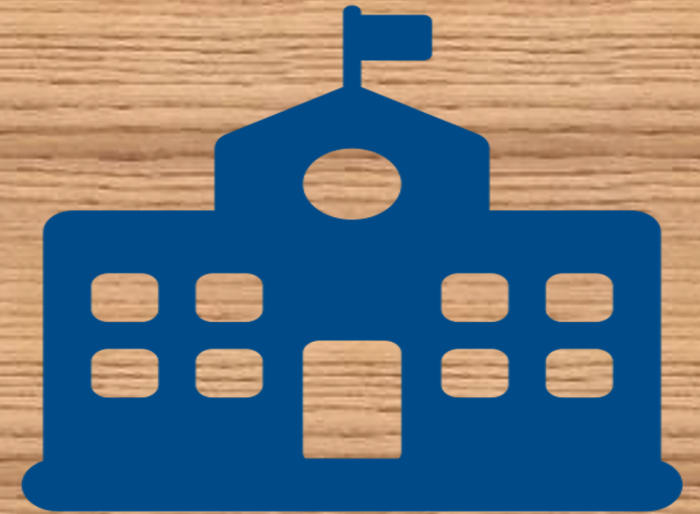
2425 FAFSA- Important Changes

- <u>Fewer questions</u>

- <u>New calculation of need</u>

- <u>New terminology</u>

- <u>FSA ID is required</u>

- <u>Consent is required!</u>

- <u>Contributors are important</u>

Changes to FAFSA for 2024-2025

- The number of questions on the FAFSA has decreased from over 100 to less than 50.

- The EFC (Estimated Family Contribution) is now the Student Aid Index (SAI).

- Students can list up to 20 schools on their FAFSA via the online application.

- Applicants will be asked to report their sex, race, and ethnicity on the FAFSA itself, but students will be offered a choice of "Prefer Not to Answer". Schools and states won't see responses to these questions on the FAFSA.

- The Data Retrieval Tool (DRT) has been renamed the Federal Taxpayer Information (FTI)

Changes to FAFSA for 2024-2025

- The Custodial Parent on your FAFSA will be the parent who provides you with <u>the most financial support and will no longer be the parent with who you lived with the most over the past 12 months</u>

- Students, spouses, parents, and stepparents will now need to provide their consent in the new *Consent to Retrieve and Disclose Federal Tax Information* section of the FAFSA for federal student aid eligibility.
  - This consent will allow the IRS to share FTI.
  - If any party to the FAFSA form does not provide consent, submission of the form will still be allowed. However, a Student Aid Index (SAI) – determination of financial aid eligibility will NOT be calculated

Changes to Calculating Your Aid Eligibility 2024-2025

- Students and families will see a different measure of their ability to pay for college, and they will experience a change in the methodology used to determine aid.

- The new need analysis formula:
  - removes the number of family members in college from the calculation
  - allows a minimum SAI of -$1,500

- Child support received will be included in assets and not as untaxed income.

- Families who own a small business/farm that also serves as primary residence will now have assets of that business/farm considered in their need analysis calculation.

FSA ID

https://studentaid.gov/fsa-id/create-account/
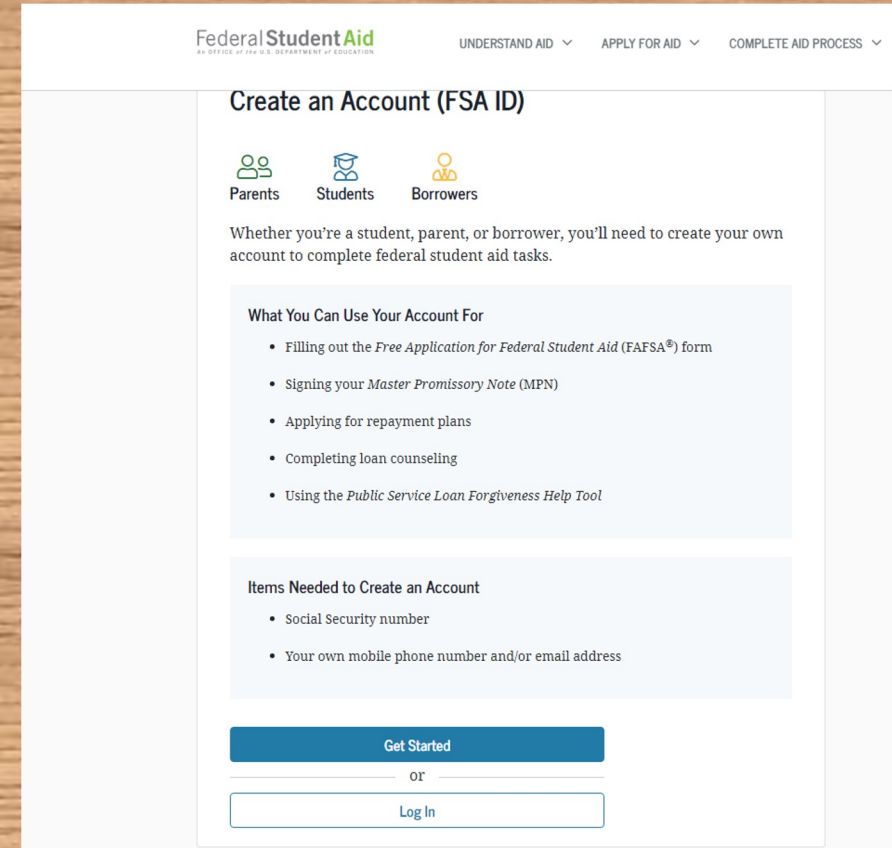
- The FSA ID is the <u>electronic signature</u> for the FAFSA
- Used by students and parents throughout financial aid process, including subsequent school years
  - FAFSA Corrections
  - FAFSA Renewal
  - Student Loan Promissory Note Signatures
- Only the owner should create an FSA ID
- Each student must have their own FSA ID
- One parent must have their own FSA ID

FSA ID

- **Name**

- **Date of Birth**

- **Email address**
  - Not High School Email
  - May only use an email one time

- **Mobile Phone Number**
  - May only use a mobile number one time

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

UNDERSTAND AID ⌄   APPLY FOR AID ⌄   COMPLETE AID PROCESS ⌄

Create an Account (FSA ID)

Parents   Students   Borrowers

Whether you're a student, parent, or borrower, you'll need to create your own account to complete federal student aid tasks.

What You Can Use Your Account For

- Filling out the *Free Application for Federal Student Aid* (FAFSA®) form
- Signing your *Master Promissory Note* (MPN)
- Applying for repayment plans
- Completing loan counseling
- Using the *Public Service Loan Forgiveness Help Tool*

Items Needed to Create an Account

- Social Security number
- Your own mobile phone number and/or email address

Get Started

or

Log In

FAFSA on the Web (FOTW)

- Built-in edits to prevent costly errors

- Skip-logic allows student and/or parent to skip unnecessary questions

- Option to use Internal Revenue Service (IRS) Federal Taxpayer Information tool (FTI) to import tax data

- More timely submission process

- Detailed instructions

FAFSA

https://studentaid.gov/h/apply-for-aid

Apply for Financial Aid

The most vital step in applying for federal grants, work-study, and loans for college is the *Free Application for Federal Student Aid* (FAFSA®) form.

Learn About the FAFSA® Form

Aid Application Process

Take these steps to apply for federal student aid.

01
Get Prepared
Gather the documents you'll need.

02
Complete FAFSA® Form
Apply early to maximize your aid.

03
Review *Student Aid Report*
Make corrections, if necessary.

04
Respond to Aid Offer
Accept the aid you want.

05
Receive Aid
Get your aid from your school.

06
Renew Your FAFSA® Form
Reapply each year.

Free Application for Federal Student Aid (FAFSA)

Information used to calculate the **Student Aid Index**(SAI)

- **Measure of 2022 taxable and untaxable income and current assets of both student and parent**

- **Also based on family size and other demographic info such as marital status**

- **SAI** is used to determine financial aid eligibility

- For the 2024-2025 academic year, the FAFSA has an anticipated opening date of **December 2023 (No exact day as of November 2023)**

- **Re-apply** every year

- The earlier you file, the earlier you MAY receive your aid offer and the more aid you may be offered

- Most colleges set **FAFSA filing priority dates**

DRT (Data Retrieval Tool) vs. FADDX(FUTURE Act Direct Data Exchange) Differences

- **The applicant, spouse, or parent is considered the provider of the information <u>vs</u> The IRS is considered the provider of the information**

- **The applicant may be eligible for Title IV aid even if they or a contributor elects not to use the DRT <u>vs</u> The applicant cannot receive Title IV aid unless all contributors consent to the use of the FADDX**

- **The data brought into the FAFSA by the DRT is considered "FAFSA data" <u>vs</u> The data brought into the FAFSA by the FADDX is "FTI", or "Federal Tax Information"**

General Student Information

- Social Security Number

- Citizenship status

- Legal Residence

Information About Student

- Tax, income, and other financial information

- Receipt of means-tested federal benefits

- Assets

- Untaxed income

Information About Parents of Dependent Students

- Tax, income, and other financial information

- Receipt of means-tested federal benefits

- Assets

- Untaxed income

- Marital Status

WHO is the Parent for the FAFSA?

- **Biological or Adoptive Parent(s)**
  - If not married BUT living together report <u>BOTH</u> parents

- **If parents are divorced:**
  - Provide information for the parent who provided you the most financial support <u>during the last 12 months</u>

- **Include Step-parent information**
  - Regardless of any 'agreements'

Net worth of investments (As of 'today')

- **Cash, Savings, and Checking**

- **Investments/Business/Farm Value**
  - Current/market value minus debt = Net Worth
  - Real estate (not home you live in), trust funds, money market and mutual funds, CD's, stocks, bonds, commodities
  - Families who own a small business/farm that also serves as primary residence will now have assets of that business/farm considered in their need analysis calculation.
  - Child support received.
  - Education benefits/savings accounts (Coverdell, 529, refund value of prepaid tuition plans)
    - Asset of the parent not student
    - **Must** include value of **ALL** accounts owned by parent
    - The value of a 529 plan owned by a dependent student or one of their parents (529 plans do not allow joint ownership) is considered a parent asset on the FAFSA.
    - 529 accounts owned by any other relatives other than the parent filing the FAFSA – will no longer need to be reported on the FAFSA as **untaxed income** for the student.

Assets <u>NOT</u> included on the FAFSA

- Value of your primary residence

- Value of Life Insurance

- Traditional Retirement Plans

- Cash, Savings, Checking already reported

Special Circumstances
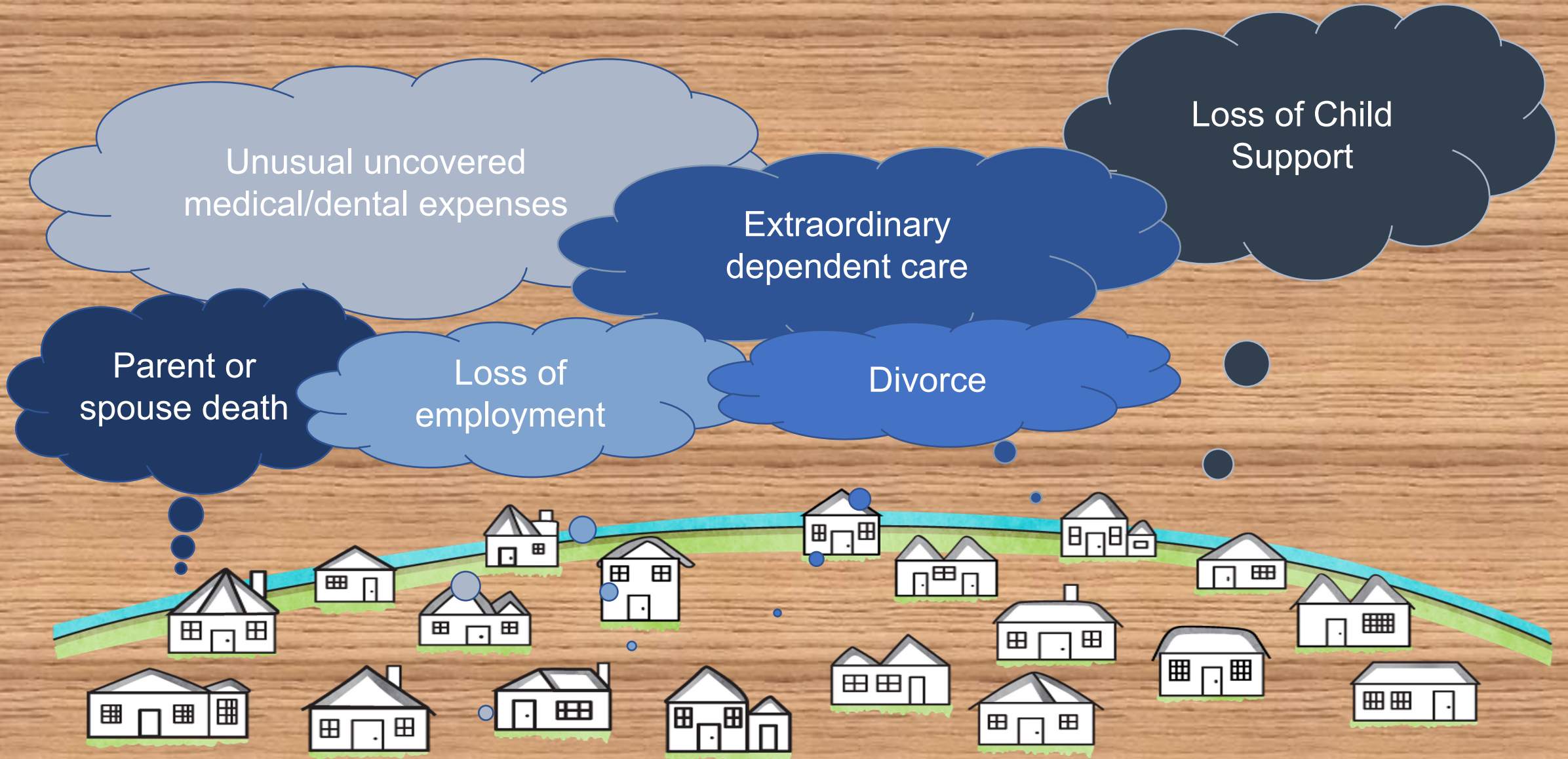
Special Circumstances

- Conditions exist that cannot be documented with the FAFSA

- Send written explanation and documentation to your college's financial aid office

- College will review and request additional information if necessary

- Decisions are final and cannot be appealed to U.S. Department of Education
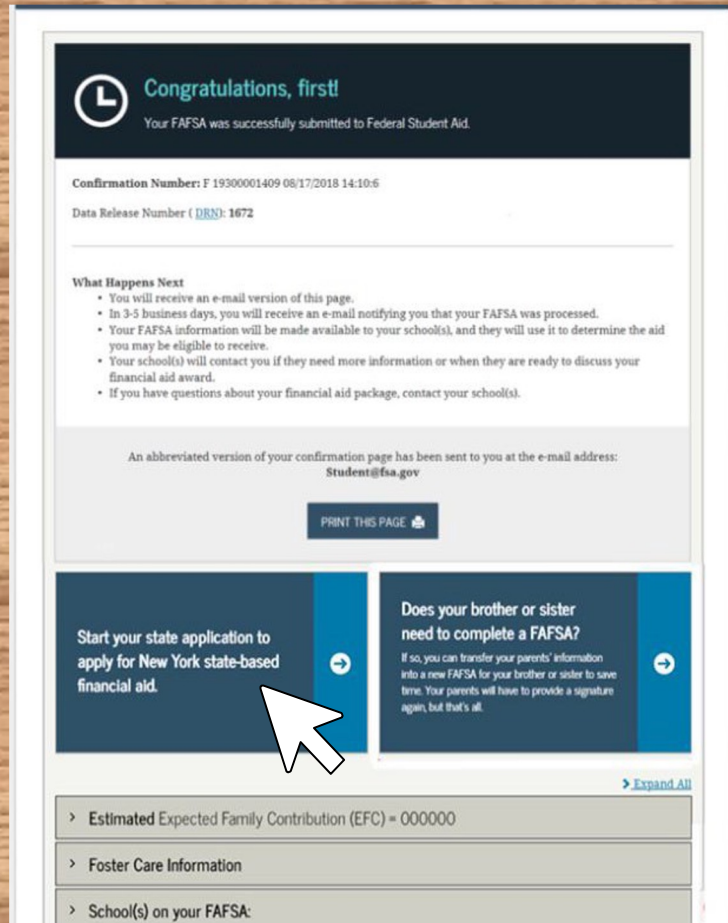
Financial Aid Office reviews FAFSA

- **May request additional information – Verification**

- **Determines Financial Aid Award Offer**
  - Usually emailed
  - Amount of Aid awarded from each program
  - How and When aid is disbursed
  - Terms and Conditions of student's award

College Communications with the student

- Most colleges/universities use a **school portal**; an online resource that students can access to register for classes, view financial aid and billing.

- Most colleges/universities use a **school assigned email** account that students are required to activate and check regularly. Schools will begin to communicate with the student primarily through this email account.

- Once a student enrolls in college, their college record (academics and finances) become protected under FERPA and students would need to give parent/guardian permission to access this information if they choose.

FAFSA Confirmation Page Link

Creating a HESC Account: Outline

Higher Education Services Corporation

Andrew M Cuomo, Governor   Dr. Guillermo Linares - President

Prepare   Pay   Repay   Contact

HESCPIN Authentication System - Create an Account

Outline

You must have a HESCPIN account to continue with NYS Student Aid Payment Application.

HESCPIN is New York State Higher Education Services Corporation's authentication system. It is used to enter secure HESC Internet services. When you set up a HESCPIN account, you will create a User ID and a Personal Identification Number (PIN). Your User ID and PIN will be used to sign in to the HESCPIN system and visit secure HESC Internet services.

The following Web pages will walk you through the steps to create a HESCPIN account. Click the "Next" button to start. Click the "Exit" button to leave.

Steps:

1. Accept Terms and Conditions
2. Check Your Identity
3. Enter Account Information
4. Enter Secondary Contact Information (Optional)
5. Create a User ID
6. Create a PIN

Next   Exit

Student's College ID Number

Signature Validation (Parent Signature)

E-Signature: NYS DMV-issued ID

If e-signature does not work, then choose the paper signature option

Thank You

Contact Information

JCC Financial Aid

Enrollment Services Office

Jules Building

315-786-2437

financialservices@sunyjefferson.edu