

# Financial Aid 101

What You Need to Know About Applying for Financial Aid

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Sussex County Community College

# Topics we will cover tonight

- ▶ The Application Process
- ▶ Expected Family Contribution (EFC) and Financial Need
- ▶ Types of Financial Aid and the Award Process

# Create a FSA ID and Password...

- ▶ Both the student and one parent must each create a FSA ID and Password.
- ▶ Requires each of you to link your email account to the FSA ID. You and your parent must each use a different email address and it must match the email you list on the FAFSA.
- ▶ You will need access to your cell phone and email account as you will be sent a “Secure Code” to each that must be input at the end of the setup process to activate your FSA ID.
- ▶ **Take your time!!** Always click on “Show Text” to be sure of what you typed in.



# Begin your FAFSA at [www.studentaid.gov](http://www.studentaid.gov)

- Sign into the FAFSA using your FSA ID and password.

The screenshot shows the Federal Student Aid website. At the top, there is a light blue banner with an information icon and text: "Loan Repayment Flexibilities Extended Through Dec. 31, 2020" and a link to "Coronavirus and Forbearance Information for Students, Borrowers, and Parents". Below this is a white bar with the U.S. flag icon and text: "An official website of the United States government." On the right side of this bar are links for "Help Center" and "English | Español". The main navigation bar is white and contains the "Federal Student Aid" logo, followed by links: "UNDERSTAND AID", "APPLY FOR AID", "COMPLETE AID PROCESS", "MANAGE LOANS", "Log In | Create Account", and a search icon. The main content area has a dark blue background with the headline "You Are America's Smartest Investment". Below the headline is a paragraph: "The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year." To the right of this text is a white button labeled "Log In" and a link labeled "Create Account". At the bottom, there are four teal-colored boxes with white text, each representing a different user type: "Considering School", "In School", "Parent", and "In Repayment".

**You Are America's Smartest Investment**

The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year.

[Log In](#)

[Create Account](#)

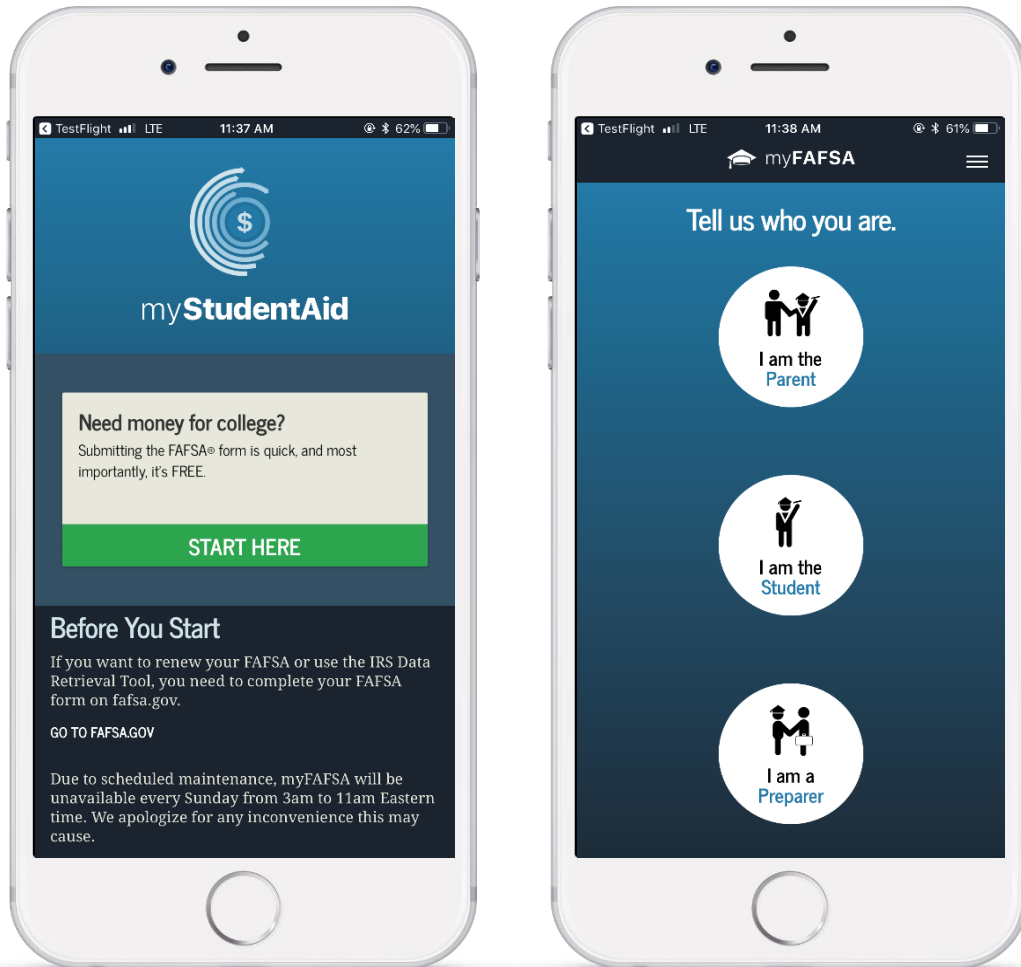
**Considering School**  
*I'm thinking about going to college or a career school.*

**In School**  
*I'm in the process of earning a degree or certificate.*

**Parent**  
*I want to help my child pay for college.*

**In Repayment**  
*I have loans I need to repay.*

# myStudentAid Mobile App...



► If you prefer, there's a mobile app you can download.

# NJ Dreamers cannot complete the FAFSA but can complete the NJ Alternative Application and apply for NJ State financial aid only.



Governor Philip D. Murphy • Lt. Governor Sheila Y. Oliver  
[NJ Home](#) | [Services A to Z](#) | [Departments/Agencies](#) | [NJ Gov FAQs](#)

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Financial Aid Administrators

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Login

Grants

Scholarships

NJ Dreamers

## Financial Aid Resources for New Jersey Dreamers

The New Jersey Alternative Financial Aid Application allows NJ Dreamers enrolled in eligible New Jersey colleges and universities to apply for state financial aid.

### Who should complete this application?

Complete this application if you are **not** a United States citizen or eligible noncitizen and meet all of the following criteria;

- Attended a New Jersey high school for at least three (3) years
- Graduated from a New Jersey high school **or** received the equivalent of a high school diploma in New Jersey
- Registered for [Selective Service](#) (male students only)
- Are able to file an affidavit stating that you have filed an application to legalize your immigration status **or** will file an application as soon as you are eligible to do so

APPLY NOW

# CSS Profile

- ▶ Required by some private colleges and universities in order to be considered for institutional aid.
- ▶ All parents are required to complete the form. That includes the biological parents and step-parents if remarried. Must provide even if the biological parent and/or step-parent is not the custodial parent filling out the FAFSA.

Website to apply for profile:

[www.student.collegeboard.org/](http://www.student.collegeboard.org/)

**Customer Service**

**305-829-9793**

**help@cssprofile.org**

# Required documents to complete the FAFSA...

- ▶ 2020 Federal Income Tax Return and W-2 forms
- ▶ 2020 Untaxed income records such as untaxed pensions or non-educational Veterans benefits
- ▶ 2020 Child Support received, court ordered or otherwise
- ▶ 2020 Child Support paid
- ▶ Current bank statements, business and investment mortgage information and stock, bond and other investment records that show the current value
- ▶ Value of 529 Plans for students
- ▶ Social Security cards
- ▶ Alien Registration Cards (if you are not a U.S. Citizen)
- ▶ NJ Driver's License Number for the student.



# Deadlines to file for financial aid...

- ▶ Look at all webpages of the colleges to which you are applying. Check the financial aid page for any priority filing deadlines. File by the earliest date.
- ▶ If you are graduating high school in June of 2022, and you are applying to any NJ colleges file as early as October 1, 2021 but no later than September 15, 2022 in order to be considered for NJ State financial aid. June 2023 graduates should file as early as October 1, 2022.
- ▶ If you attend a NJ college, going forward, file your FAFSA between October 1<sup>st</sup> and April 15<sup>th</sup> of the following year. If you miss the April 15<sup>th</sup> deadline you could lose your state aid for one full year.

# Advice on filing your FAFSA...

- ▶ Have all necessary documentation on hand.
- ▶ Use the IRS DRT - Data Retrieval Tool and transfer your income directly from your 2020 tax return that you filed with the IRS onto your FAFSA.  

NOTE: Parents who are separated or divorced but filed “married filing joint” in 2020 cannot use this option. You must manually fill in the answers.
- ▶ Type your name and social security number exactly as it appears on your card.
- ▶ Go slow! Read the questions carefully, most are about the student.
- ▶ Be aware of which section you are in: student or parent?
- ▶ Check and re-check your information before submitting.

# Common Mistakes Made on the FAFSA...

- ▶ Incorrect name, Social Security number or date of birth
- ▶ Listing parents' income and then listing it again for the student
- ▶ Number in the household. List parents, student, younger siblings and anyone else in the household that the parent is providing more than 50% of their support.
- ▶ Taxes paid vs. taxes withheld
- ▶ Do not skip the gender question for the student. This will make the FAFSA incomplete and no aid can be determined until this is resolved.
- ▶ High school completion status
- ▶ Make sure both student and parent provide their signatures via FSA ID/Password or by printing, signing and mailing in a paper signature page.
- ▶ Saving but not SUBMITTING the FAFSA! It's not submitted if you don't get a confirmation page that says "**Congratulations!**".

# Some common questions and answers...

- Q. My student will move out once they turn 18 years of age and I will no longer be supporting them nor will I be claiming them on my tax return. Will they be able to file as an independent student without parental information?
- A. No, students must file with their parents' information until they reach 24 years of age or if they meet one of the other eligibility requirements.

## More common questions and answers...

Q. My husband and I filed jointly in 2020 but we separated in 2021. Do I include information for both of us?

A. No, include only the information of the parent that the student lives with. You will not be able to use the IRS Data Retrieval Tool. If they live with each parent 50% of the time, use the parent who provides 51% of their support or the parent that makes more money.

# Still more common questions and answers...

- Q. My student's father and I divorced in 2016 and I remarried in 2021. My new husband is not financially responsible for my student. Can I file the FAFSA with only my income and assets?
- A. No, federal regulations require both the biological parent and the step-parent to include their information on the FAFSA regardless of any pre-nuptial agreement.

## More common questions and answers...

Q. I took custody of my grandchild when they were 3 years old. Since then, we've had no contact with my daughter or my grandchild's father. Do I fill out the FAFSA with our income and asset information?

A. No, you do not fill out the FAFSA with your income.

Your grandchild will need to fill out the FAFSA with their information only and then contact the Financial Aid Office at the school they will attend to request a "Dependency Override". They will need to provide signed letters from the student and the grandparent explaining the circumstances in detail as well as provide third party documentation such as court paperwork to the school. It is up to the college to determine if they have sufficient documentation to approve your request.

# Very common question and answer...

Q. In 2020 both my husband and I worked but in 2021 my husband got laid off and our income is much lower. Can we update the FAFSA to show this?

A. You cannot update the FAFSA yourself. A change in circumstances after filing the FAFSA requires a Request for Professional Judgment. You may make this request to the Financial Aid Office for reasons such as:

**Change in employment status**

**Parent becomes disabled or passes away**

**Change in parents' marital status**

You will need to document the change. The college will review and request additional information if necessary. Decisions are final and cannot be appealed to the U.S. Department of Education.



# Final common question and answer...

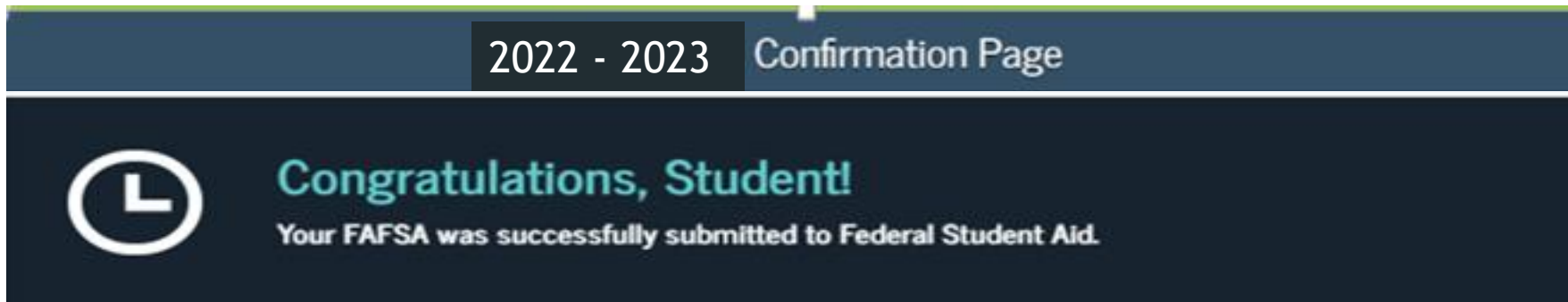
Q. Do I list my student's 529 College Savings Plan as the student's asset?

A. If the parent took out the 529 Plan, then it is listed as the parent's asset. If a grandparent took out the 529 Plan, then it is not reported at all but the withdrawal must be counted as the student's on next year's FAFSA.

# Once you submit your FAFSA...

- ▶ Keep a copy of your confirmation page once you submit it. It will list your eligibility for Federal Pell Grant (if eligible) and for a Federal Direct Student Loan.
- ▶ You will instantly get an email telling you they received your FAFSA submission.
- ▶ You will get another email in approximately 3-5 days telling you it has been processed.
  - ▶ Read through this email to see if anything additional is required such as missing signatures, Selective Service registration, etc.
  - ▶ Make any necessary corrections at [www.studentaid.gov](http://www.studentaid.gov) .
- ▶ Check your email for notices from NJHESAA regarding your NJFAMS account. View your state award and supply missing information from this site.
- ▶ Schools will begin sending award notifications late December or early January. Must be admitted before you will be notified.

# Applying for State Aid...

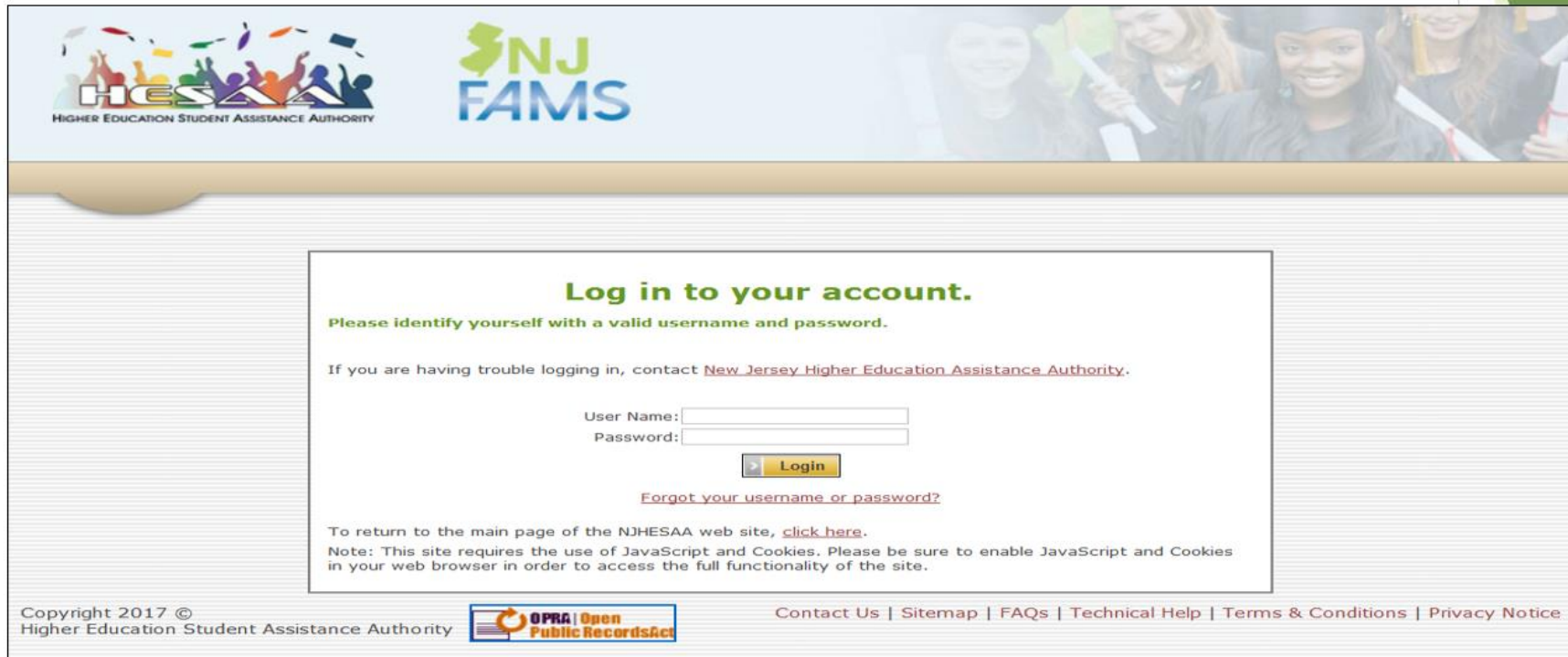


- ▶ Once submitted, a copy of the FAFSA is sent to all listed institutions and to HESAA.
- ▶ About a week after submitting the FAFSA, students **MUST** log into HESAA's NJFAMS portal (New Jersey Financial Aid Management System) to complete any tasks listed on the "TO DO" list. All tasks must be completed to be considered for Tuition Aid Grant (TAG) and all other State grants and scholarships.

**[www.njfams.hesaa.org](http://www.njfams.hesaa.org)**

Log into your NJFAMS account at  
<https://njfams.hesaa.org>

### Student login



The screenshot shows the NJFAMS Student login page. At the top, there is a header with the HESAA logo (Higher Education Student Assistance Authority) and the NJFAMS logo. Below the header, there is a large image of a group of smiling students. The main content area is a white box with a green border. Inside this box, the text reads: "Log in to your account. Please identify yourself with a valid username and password." Below this, there is a link: "If you are having trouble logging in, contact [New Jersey Higher Education Assistance Authority](#)." There are two input fields: "User Name:" and "Password:". Below the "Password:" field is a "Login" button. Below the button is a link: "[Forgot your username or password?](#)". At the bottom of the box, there is a note: "To return to the main page of the NJHESAA web site, [click here](#)." Below the box, there is a footer with the copyright information: "Copyright 2017 © Higher Education Student Assistance Authority". To the right of the copyright information is a logo for "OPRA | Open Public Records Act". To the right of the logo is a list of links: "Contact Us | Sitemap | FAQs | Technical Help | Terms & Conditions | Privacy Notice".

**Log in to your account.**  
Please identify yourself with a valid username and password.

If you are having trouble logging in, contact [New Jersey Higher Education Assistance Authority](#).


User Name:   
Password:

[Forgot your username or password?](#)

To return to the main page of the NJHESAA web site, [click here](#).


Note: This site requires the use of JavaScript and Cookies. Please be sure to enable JavaScript and Cookies in your web browser in order to access the full functionality of the site.

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Higher Education Student Assistance Authority

 **OPRA | Open Public Records Act**

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# Review your “To Do List”



The screenshot displays the NJFAMS (New Jersey Financial Aid Management System) website. At the top, there is a header with the HESAA logo (Higher Education Student Assistance Authority) on the left and the NJFAMS logo in the center. To the right of the NJFAMS logo is a photograph of two smiling students. Below the header is a navigation bar with a 'MENU' button on the left and a 'Contact Us' link on the right. The main content area is titled 'Welcome to NJFAMS!' and contains a list of tasks with corresponding icons:

- ✓ To Do List
- 📁 View and Update Your School
- 📄 Apply Online for Scholarships
- 🌟 Award and Eligibility Information
- ✉ Notifications
- ✉ Help Requests

Below the list, there are two status messages:

- Your FAFSA for the academic year 2020-2021 has been received
- Your FAFSA for the academic year 2021-2022 has not been received

# Expected Family Contribution (EFC)...

- ▶ The EFC is the amount that the Department of Education expects the family can contribute to the student's education.
- ▶ It has two components:
  - ▶ Parent contribution
  - ▶ Student contribution
- ▶ Calculated using a formula specified by law called Federal Methodology. This formula uses the data provided on the FAFSA.
- ▶ Stays the same regardless of the college or cost of the college.
- ▶ The EFC is used along with the cost of Attendance (COA) to determine the student's financial need.

# Cost of Attendance...

- ▶ Tuition (direct expense)
- ▶ Fees (direct expense)
- ▶ Room & Board (may be direct)
- ▶ Books & Supplies (direct but not billed)
- ▶ Personal Expenses (indirect expense)
- ▶ Transportation (indirect expense)

Please note: There are special circumstances that can affect the cost of attendance (i.e. childcare, study abroad, costs related to disabilities, computer requirements, etc.) may be considered.

# Definition of Need...

Cost of Attendance (COA)

- Expected Family Contribution (EFC)

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= Financial Need



# Sample EFC for the Smith Family...

- ▶ Family lives in New Jersey
- ▶ Married parents, both age 52
- ▶ Household size of 4 with 1 child going to college
- ▶ 2020 Adjusted Gross Income = \$120,000
- ▶ Assets = \$20,000
- ▶ Student income/assets = 0

**EFC = \$20,830**

# Financial Need for the Smith Family...

College	Community College	State College or University	Private College or University
COA	\$15,560	\$29,474	\$51,507
EFC	\$20,830	\$20,830	\$20,830
Financial Need	0	\$8,644	\$30,677

# May be selected for a process called Verification...

## Federal Verification

Federal verification happens randomly or for specific reasons when you file your FAFSA. If selected you will be required to submit certain documents to your school. *Do not supply unless asked to do so!*

## State Verification

State verification happens randomly or for specific reasons as determined by NJHESAA. *Must supply by HESAA deadline dates.* Log into your NJFAMS account at [www.njgrants.org](http://www.njgrants.org), click on NJFAMS and go to your “To Do List” to check for missing documents and award notices.

# Federal Types of Aid...

- ▶ Federal Pell Grant - Based on EFC
  - ▶ Automatic with eligibility
  - ▶ 2021-22 maximum annual award amount \$6,495
- ▶ FSEOG - Federal Supplemental Educational Opportunity Grant
  - ▶ Supplemental grant for the neediest of students
  - ▶ Based on availability
- ▶ TEACH Grant
  - ▶ For those planning to teach in high-need fields
  - ▶ Agreement to Serve

# Federal Aid continued...

- ▶ Federal Work Study
  - ▶ Federal dollars paid in exchange for part-time employment in designated jobs
  - ▶ School comes first
- ▶ Federal Direct Loans
  - ▶ Subsidized - No interest while in school - must demonstrate financial need
  - ▶ Unsubsidized - Interest accrues while in school
  - ▶ Freshman Annual Loan Limit = \$5500 - Up to \$3500 may be Subsidized
  - ▶ 2021-22 Interest Rate = 3.73%
  - ▶ Loan Origination Fee taken off the top = 1.057%
- ▶ Federal Parent PLUS Loans
  - ▶ 2021-22 Interest Rate = 6.28% with a Loan Origination Fee of 4.228%
- ▶ Private/Alternative Loans
  - ▶ Exhaust federal aid options first

# NJ State Financial Aid...

- ▶ TAG (Tuition Aid Grant)
  - ▶ Demonstrate Financial Need
  - ▶ Be a U.S. citizen or eligible non-citizen
  - ▶ Must be New Jersey Resident & attend a New Jersey Institution
  - ▶ Must be full time in an approved degree program
  - ▶ Meet all state deadlines
- ▶ Part-Time TAG for County Colleges
  - ▶ Meet all TAG requirements
  - ▶ With the exception of being enrolled for 6-11 credits

# NJ State Financial Aid continued...

## ► EOF (Educational Opportunity Fund)

- Award ranges from \$200 - \$2,500 annually depending on type of institution
- Must demonstrate educational and economically disadvantaged background
- Provides both additional grant funding as well as additional academic counseling, personal counseling and tutorial services
- File FAFSA

# NJ State Financial Aid continued...

## ▶ NJ STARS

- ▶ NJ residents who rank in the top 15% of their class at either the end of junior or senior year
- ▶ Are considered college ready if they ranked in the top 15%.
- ▶ Students must take at least 12 college credits, will not cover remedial credits.
- ▶ Students must attain a cumulative GPA of 3.0 or higher at the start of the third semester at the county college to remain an NJ STAR
- ▶ Must file a Free Application for Federal Student Aid (FAFSA)

## ▶ NJ STARS II

- ▶ Received NJSTARS funding and have a family taxable income of less than \$250,000
- ▶ Must earn an associates degree and graduate with a 3.25 GPA or higher
- ▶ May receive up to \$2,500 annually for a public or private 4-year NJ college or university
- ▶ Must enroll full time (12 credit hours)
- ▶ Must file a Free Application for Federal Student Aid (FAFSA)



# NJ State Financial Aid continued...

- ▶ Governor's Industry Vocation Scholarship for Women & Minorities (NJ - GIVS)
  - ▶ Up to \$2,000 per year for the cost of enrollment at one of New Jersey's 18 County Colleges
  - ▶ Benefits women and minorities pursuing certificate or degree programs in construction – related fields
  - ▶ Must be NJ resident
  - ▶ Must file a FAFSA & complete separate application online at [www.njgrants.org](http://www.njgrants.org)
  - ▶ Some of the programs eligible for the scholarship include
    - Construction Supervision
    - Solar Energy Technology
    - Architectural Engineering Technology

# NJ State Financial Aid continued...

## ▶ CCOG - Community College Opportunity Grant

*CCOG is a last dollar grant that will pay the cost of tuition and approved educational fees not already covered by other available grant funds applied to the student's account.*

- ▶ Covers tuition and approved fees
- ▶ Be a NJ resident attending a county college of residence
- ▶ Can attend out of county but will be packaged based on the in-county tuition rate of the county college they are attending.
- ▶ Have an Adjusted Gross Income between \$0 - \$65,000
- ▶ Enroll in at least 6 credits per semester
- ▶ Not have a prior college degree - Associates or Bachelors
- ▶ Complete the FAFSA or NJ Alternative Application prior to September 15<sup>th</sup>, 2022 and have a complete NJ State grant record
- ▶ Make Satisfactory Academic Progress while attending college.

# Self-Help Loans to cover the Gap

## Can borrow up to the Cost of Attendance

- ▶ NJCLASS Supplemental Loan Program - rates are for 2021-2022
  - ▶ 10 Year Fixed Rate NJCLASS Loan, starting at 2.99%
  - ▶ 15 Year Fixed Rate NJCLASS Loan is 3.50%
  - ▶ 20 Year Fixed Rate NJCLASS Loan is 4.75%

All options have a 3% Administrative Fee

Rates change every year in June

## Resources to Explore

# SCHOLARSHIPS

- ▶ [www.hesaa.org](http://www.hesaa.org)
- ▶ [www.fastweb.com](http://www.fastweb.com)
- ▶ [www.collegeboard.org](http://www.collegeboard.org)
- ▶ [www.mappingyourfuture.org](http://www.mappingyourfuture.org)

# Other Resources...

## ► Outside Scholarships

- Banks, credit unions
- Churches, synagogues, local organizations
- Parents' employers
- Your medicine and kitchen cabinets

## ► Campus Administered Payment Plans

## ► Campus Employment

## ► Specialized Campus Opportunities

- Residential Advisors
- Student Ambassadors
- Student Tour Guides Internships/Co-ops

# Net Price Calculator...

- ▶ All institutions must have a net price calculator posted on their websites.
- ▶ Students will be able to estimate the individual net price per institution.
- ▶ Based on full-time, first degree/certificate-seeking undergraduate students.

# College Finance Plan

- ▶ The College Finance Plan standardizes award notifications, making it easier to comparison shop and provide students with key information including:
  - ▶ How much one year of school will cost.
  - ▶ Financial aid options to pay this cost, with a clear differentiation between grants and scholarships, which do not have to be repaid, and loans, which do.
  - ▶ The net costs after grants and scholarships are taken into account.
  - ▶ Fundamental information about student results, including information comparing default rates, graduation rates, and median debt levels for the school.
  - ▶ Potential monthly payments for the federal student loans the typical student would owe after graduation.

University of the United States (UUS)

Student Name, Identifier

Download

Costs in the 2015-16 year

Estimated Cost of Attendance

\$X,XXX / yr

Tuition and fees

\$ X,XXX

Housing and meals

X,XXX

Books and supplies

X,XXX

Transportation

X,XXX

Other education costs

X,XXX

Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid; no repayment needed)

\$X,XXX / yr

Grants and scholarships from your school

\$ X,XXX

Federal Pell Grant

X,XXX

Grants from your state

X,XXX

Other scholarships you can use

X,XXX

What will you pay for college

Net Costs

\$X,XXX / yr

(Cost of attendance minus total grants and scholarships)

Options to pay net costs

Work options

Work-Study (Federal, state, or institutional)

\$ X,XXX

Loan Options\*

Federal Perkins Loan

\$ X,XXX

Federal Direct Subsidized Loan

X,XXX

Federal Direct Unsubsidized Loan

X,XXX

\*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

Other options

Family Contribution

\$X,XXX / yr

(As calculated by the institution using information reported on the FAFSA or to your institution.)

Payment plan offered by the institution

Parent or Graduate PLUS Loans

American Opportunity Tax Credit\*

Military and/or National Service benefits

Non-Federal private education loan

\*Parents or students may qualify to receive up to \$2,500 by claiming the American Opportunity Tax Credit on their tax return during the following calendar year.

Graduation Rate

Percentage of full-time students who graduate within 6 years

XX.X%

Low Medium High

Loan Default Rate

Percentage of borrowers entering repayment and defaulting on their loan

X.X%

XX.X%

This institution National

Median Borrowing

Students who borrow at UUS typically take out \$X,XXX in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately \$X,XXX per month. Your borrowing may be different.

\$

Repaying your loans

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to:

<http://studentaid.ed.gov/repay-loans/understand/plans>

For more information and next steps:

University of the United States (UUS)

Financial Aid Office

123 Main Street

Anytown, ST 12345

Telephone: (123) 456-7890

E-mail: financialaid@uus.edu

# Talk to people in the Know!

- ▶ Guidance Office
- ▶ Admissions Office
- ▶ Financial Aid Office
- ▶ Foundation Office at your college/university



Thank you for coming!

*Questions??*