

Financial Aid:

What You Need to Know

Topics We Will Discuss Tonight

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

What is Financial Aid?

Financial aid is funds provided to students and families to help pay for college expenses

- Need-based
- Non need-based

Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment (Work-study)

Sources of Financial Aid

- Federal Government
- States
- Civic organizations and churches
- Employers – scholarship and tuition assistance programs for employees and children of employees

Common Federal Aid Programs

- Federal Pell Grant
- Federal Supplemental Education Opportunity Grant (FSEOG)
- Federal Perkins Loan
- Federal Work-Study
- Stafford Loan
- PLUS Loan

Common State Aid Programs

- State Need Grant
- State Work Study
- State Scholarships

www.wsac.gov

www.thewashboard.org

Scholarships

- Money that does not have to be paid back
- Awarded on the basis of merit, skill, or unique characteristics
- Seek out and apply for as many scholarships that you believe you meet scholarship criteria
- Consider this your first resource of funding your college education
- Application process usually separate from financial aid application process

Scholarships

- Research what is available in the community: Foundations, businesses, charitable organizations, parent's employer
- Deadlines vary and are usually October-May. Example: October 2013 – May 2014 for Fall 2014
- Small scholarships add up! Apply for as many as possible

Scholarships

- The college you plan to attend may have a scholarship program, contact the financial aid office at the school
- LCC awards around \$280,000 each year
- Apply at www.lowercolumbia.edu/scholarships
- One electronic application matches you to available scholarships.
- Application open: Beginning of February 2014, closes in April for the 2014-15 academic year.

Grants

- Money that does not have to be paid back
- Awarded on the basis of financial need
- Sources of Grants: Federal and State Government

Employment

- Commonly called Work-study and is awarded on the basis of financial need. Student Help is another employment program – not based on financial need.
- Allows student to earn money to help pay education costs. Also known as work study or student help
- Student receives a paycheck for hours worked

Loans

- Money students and parents borrow to help pay college expenses
- Awarded on the basis of need and non-need
- Repayment begins 6 months after the student leaves school even if does not graduate
- Only borrow what is really needed to cover expenses
- Look at loans as an investment in your future

Free Application for Federal Student Aid (FAFSA)

- A standard form that collects demographic and financial information about the student and family
- File electronically at www.fafsa.gov
- Is available in English and Spanish
- Web site: www.pin.ed.gov
- Parents and students use their pin to sign the FAFSA electronically
 - Signatures required: student and one parent

Whose income do I use?

- Student's, Biological Parent and/or Step-Parent, or Adoptive Parent.
- Students living with grandparents or anyone other than the biological, step, or adoptive parent should not include to custodial person's income information. See the financial aid director to request independency.

Why do I have to enter my parent's income?

- Department of Education Philosophy: the parent has the first responsibility to assist the student with their education primarily until the student reaches the age of 24, gets married or has a child of their own
- The DOE does not recognize a student as independent from their parents for reasons of:
 - over the age of 18
 - not counted on tax return
 - doesn't live with parent's
 - parent refuses to provide income information

Verification/Import your IRS data

- Schools are required to verify 30% of student FAFSA's. This is done by comparing your FAFSA information with your IRS tax return and other income documents.
- Import your IRS data into the FAFSA, if you are given the option.
- Students/Parents who are selected for verification will be required to provide a tax transcript if not imported OR you imported the data but changed the numbers.
- Avoid being required to provide a tax transcript by importing your data and do not change the numbers.

What if my income has changed?

- FAFSA requires the prior tax year's income information. If you or your parent's income is less, contact the financial aid office to find out if they can re-calculate your financial aid eligibility based on your or your parent's current income.

FAFSA Processing Results

- Institutional Student Information Record (ISIR) sent to colleges listed on the FAFSA approximately 2-5 days after FAFSA submitted
- College reviews ISIR
 - May request additional documentation, such as copies of federal tax returns. Also, called Verification

Student Aid Report (SAR)

- Review data for accuracy

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

- Using FAFSA on the Web www.fafsa.gov
- Updating the paper SAR; or
- Submitting documentation to college's financial aid office

Expected Family Contribution: EFC

- You will also receive an EFC. This number is based on the information you entered on your FAFSA and is calculated by using taxed and untaxed income, assets, number in household, number in college.
- No way to estimate what your EFC or how much you will be eligible for.
- The number does not represent how much aid you will receive nor the amount you must pay the college. It is a number used by the college to calculate how much aid you are eligible for.

Award Notification

- Once the FAFSA and all requested documentation has been received, the school may issue an award notification
- Review the award carefully
 - Remember: grants and scholarships you do not pay back, student loans must be paid back, work study is money a student earns by working at a job provided by the school
- If required: sign, date and return the award letter to the school by the specified date

Financial Aid Portal

- The school may have a student portal available where students can review their financial aid status
- At LCC the portal is available at www.lowercolumbia.edu/finaid
- Student's can upload documents directly into the portal, review important messages from financial aid, and review their financial aid award

Student's Responsibilities

- Pay attention to all school and scholarship deadlines
- Apply for financial aid and scholarships early
- Provide all requested documentation to the school immediately upon request
- Read the school's financial aid website and any financial aid handbooks available
- Your financial aid and scholarships are tied to your academic progress. Read and understand important documents regarding financial aid: Satisfactory Academic Progress standards and Conditions of Your Award
- If you register for classes and decide not to attend, notify the school immediately.



Questions?

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