THE FINANCIAL AID APPLICATION PROCESS

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Keep Your College Options Open

- Most important thing we can offer our children.
- Must prepare financially as well as educationally.
- Never too late to start.

Be a College Consumer

Think of yourselves as consumers of higher education for your children. Be informed about college costs, the financial aid process, and alternative financing.

Principles of Need Analysis

- To the extent they are able, parents have **primary responsibility** to pay for their dependent children's education.
- Students also have a responsibility to contribute to their educational costs.
- Families should be evaluated in their present financial condition.
- A family's ability to pay for educational costs must be evaluated in an equitable and consistent manner, recognizing that special circumstances can and do affect its ability to pay.

Free Application for Federal Student Aid (FAFSA)

- Family's personal and financial information required to perform need analysis is collected on FAFSA
- FAFSA on the Web https://studentaid.gov/h/apply-for-aid/fafsa
    - FSA ID – username and password
    - FAFSA form
    - Can print a worksheet prior to filing

Free Application for Federal Student Aid (FAFSA®)

- May be filed at any time during an academic year, but typically no earlier than October 1st prior to the academic year for which the student requests aid

- **For the 2026-27 academic year, the FAFSA will be available by October 1, 2025**

- Colleges may set FAFSA priority dates

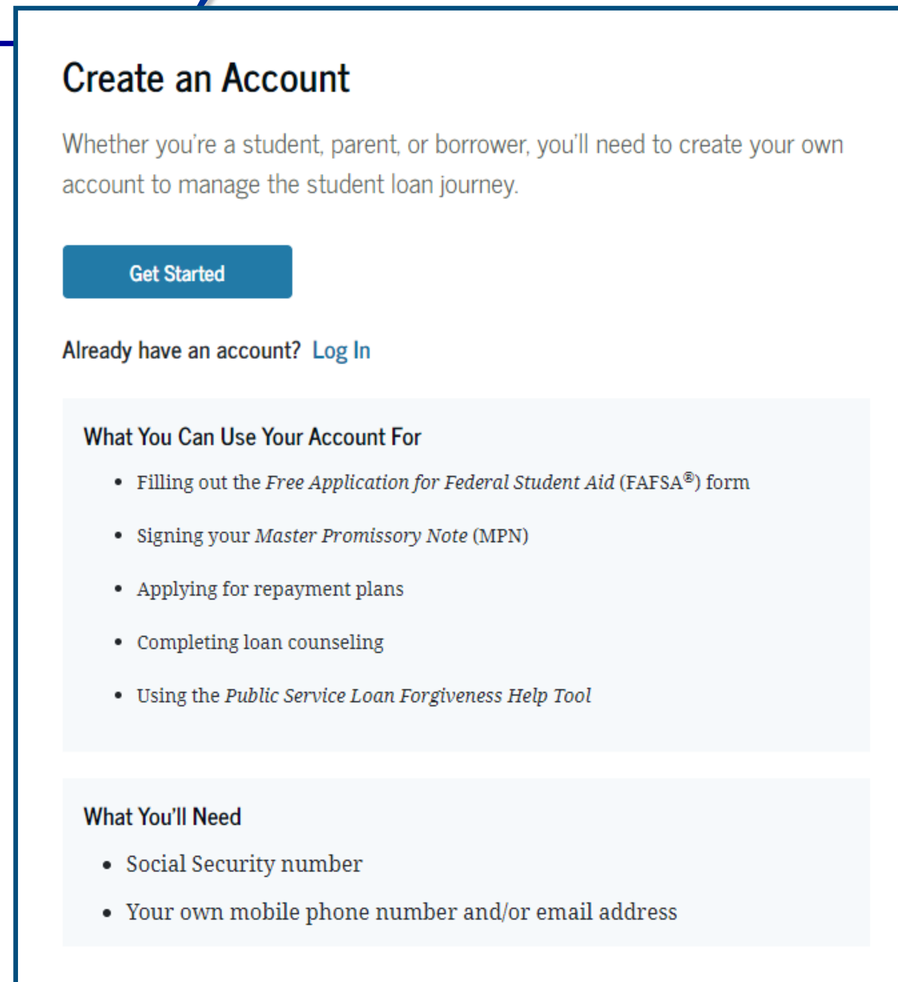
Federal Student Aid Estimator

- Early estimation regarding SAI and possible Title IV aid available
- Requires demographic, income, and asset information

https://studentaid.gov/aid-estimator

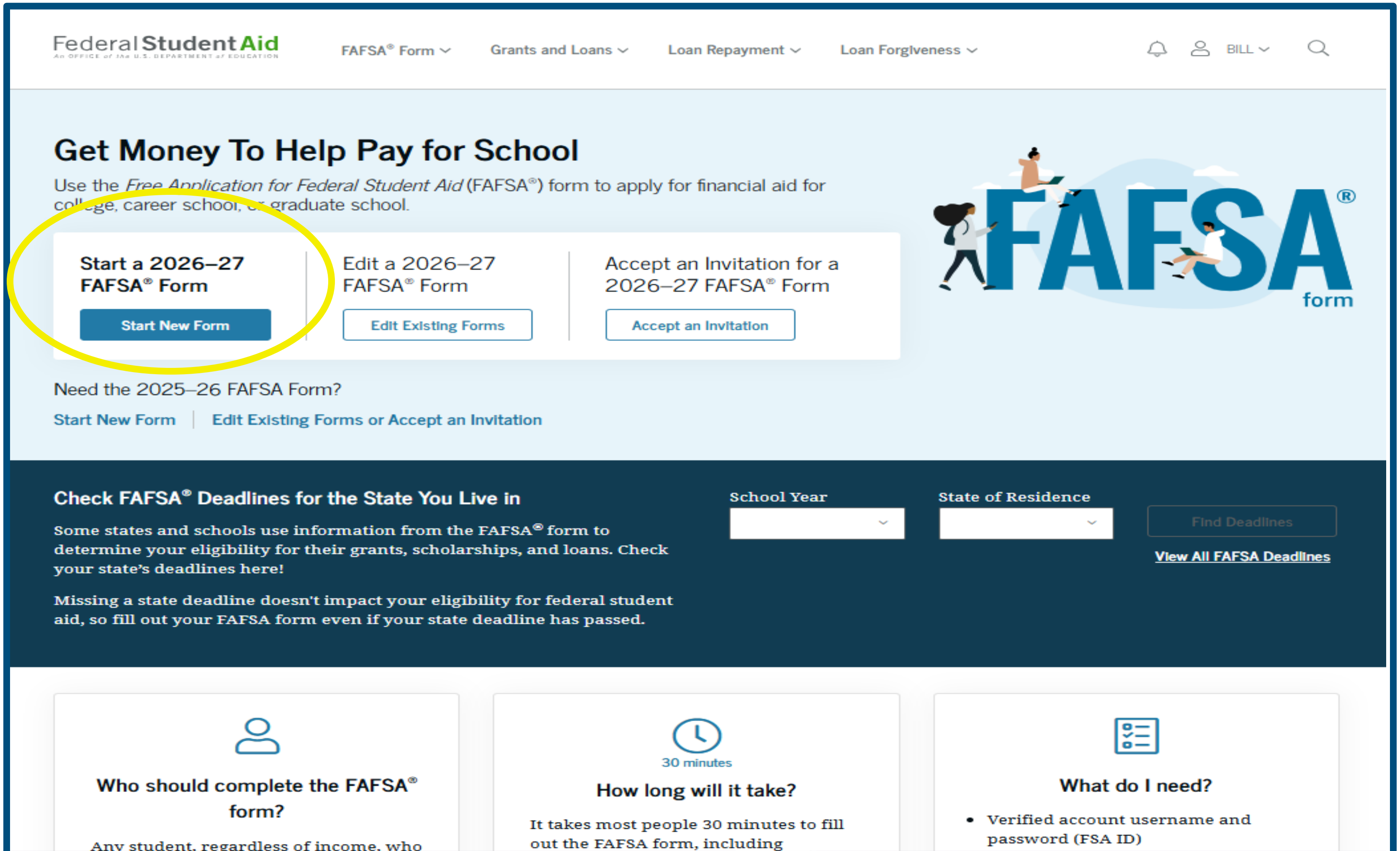
StudentAid.gov Account Username and Password (FSA ID)

- Used for FAFSA completion and access to certain U.S. Department of Education websites
- Student and parent must create own FSA ID
- May be used throughout financial aid process, including subsequent school years
- Only the owner should create an FSA ID

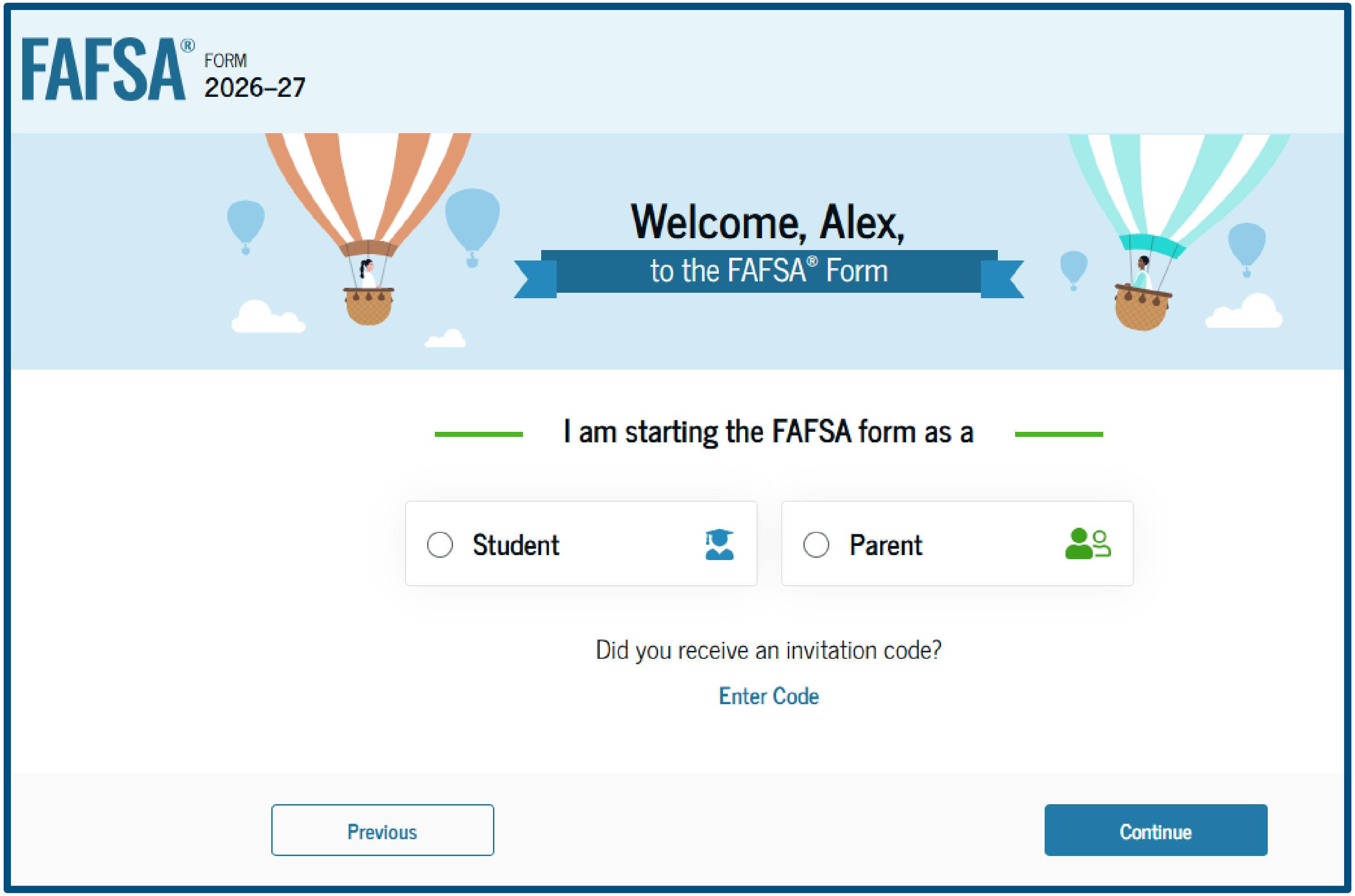


Apply at https://studentaid.gov/fsa-id/create-account/launch

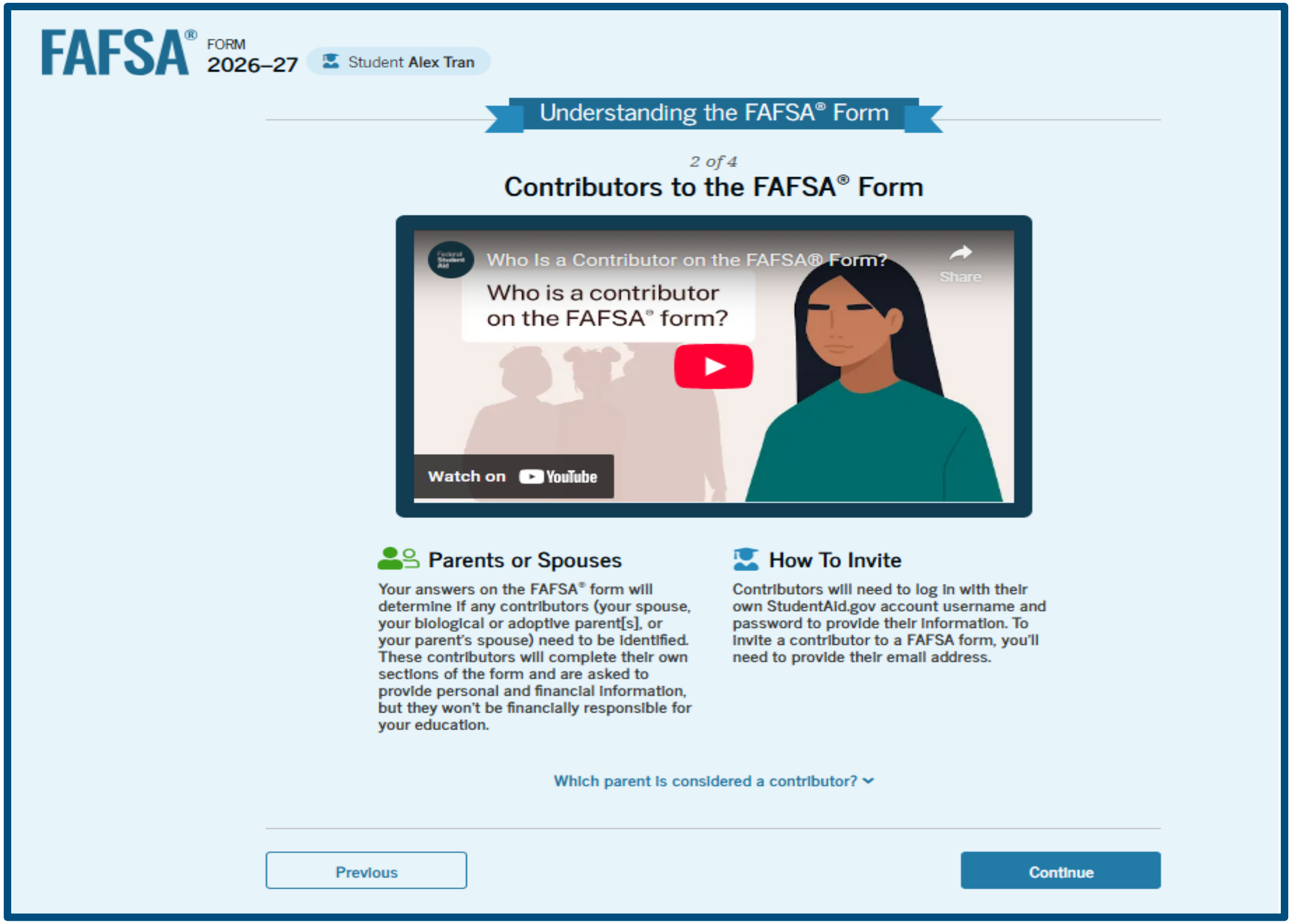
Online FAFSA



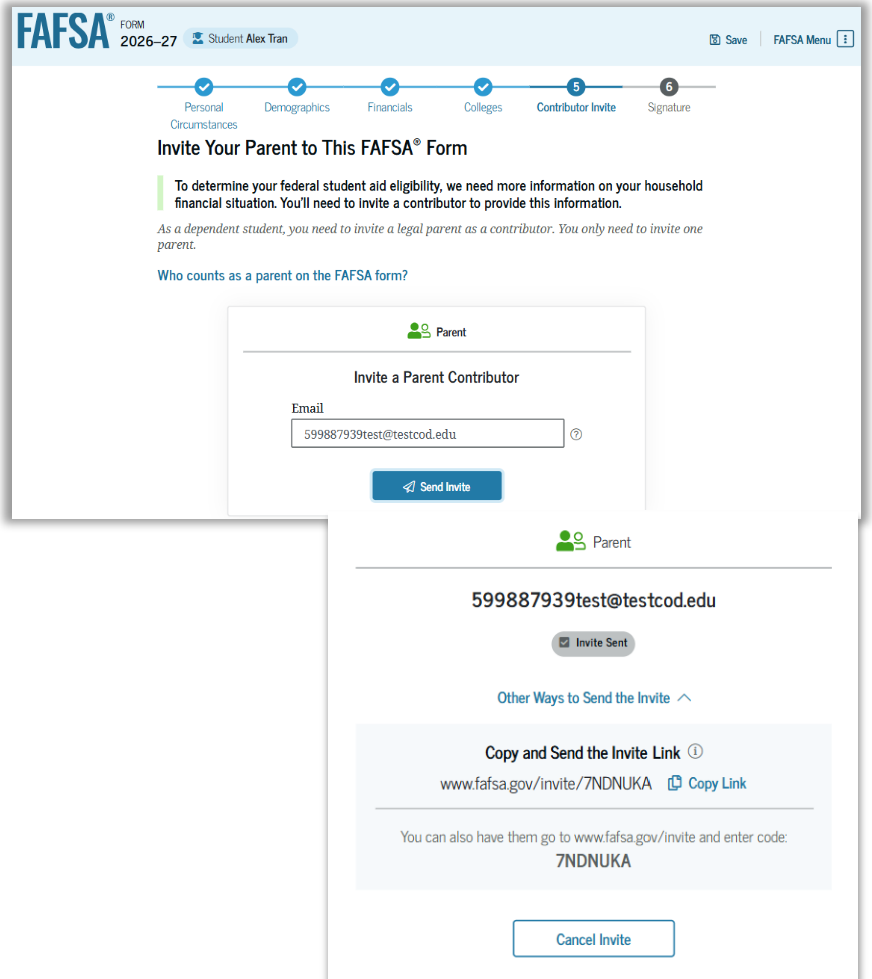
Online FAFSA



FAFSA Contributors



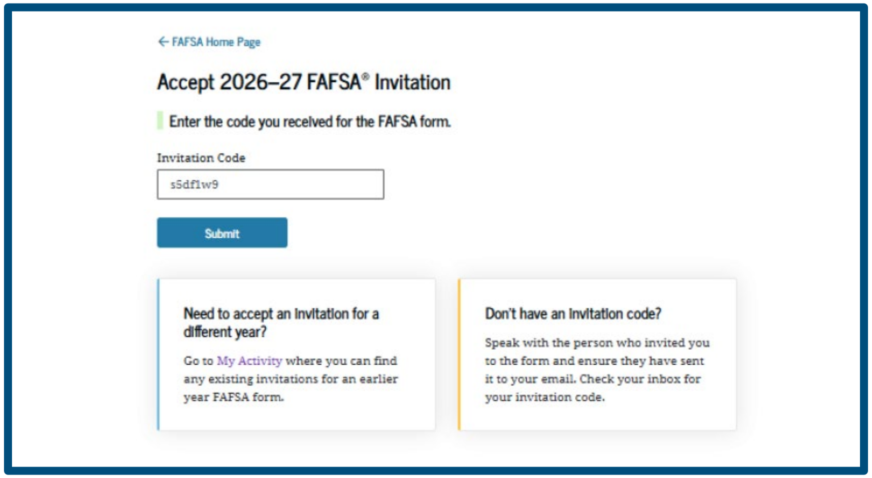
Student Invites Parents to FAFSA



- Student enters parent email address to invite them to complete parent portion of the FAFSA
- Invitation link or invitation code can be shared directly

Parent Invitation

- Accept email invitation or use invitation link or invitation code to complete parent portion of student’s FAFSA

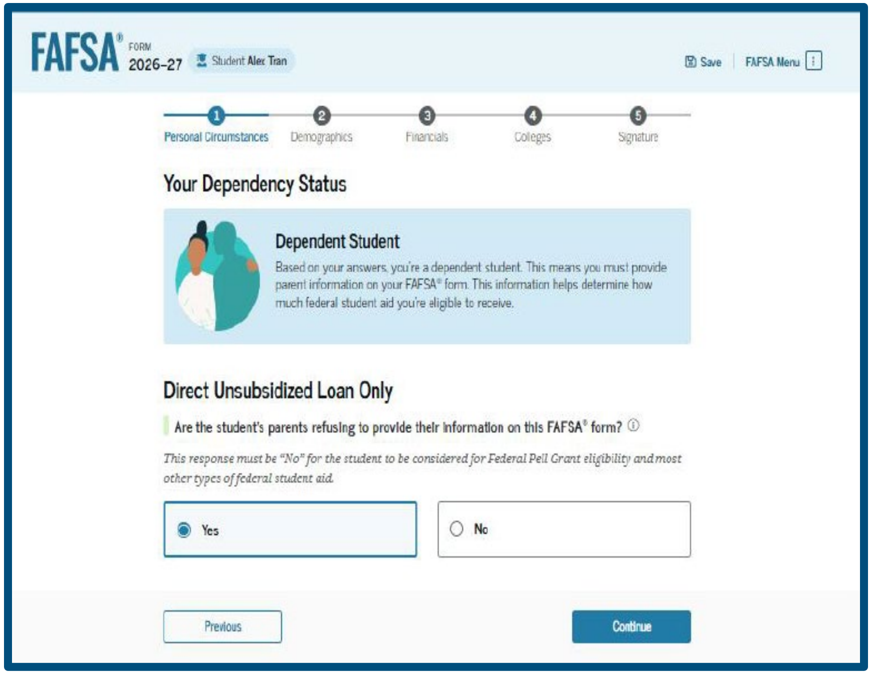


- Parents must use FSA ID to access FAFSA

FUTURE Act Direct Data Exchange (FA-DDX)

- Allows for an individual's federal tax information (FTI) to be directly transferred from the IRS to the FAFSA
- Consent is required by all contributors on FAFSA
- IRS transfers information to populate FAFSA income questions for most tax filers
- Eliminates manual entry of tax and income information

Student Dependency Status



- Born before January 1, 2023?
- Married?
- Graduate or professional student?
- Active-duty military?
- Veteran?
- Children or legal dependents?
- Orphan, ward of the court, foster care?
- Emancipated minor or legal guardianship?
- Homeless or self-supporting and at risk of homelessness?

Unusual Circumstances

- Conditions that justify an institution making an adjustment to a student’s dependency status
- Student does not provide parental data on FAFSA
    - Considered provisionally independent
- Student follows institution’s process for dependency override determination

Other Considerations

- If independent student is married, spouse information is required as well
- Consent to transfer FTI from the IRS is required for all contributors
  - Including student, student's spouse (if applicable), parent, and other parent (if applicable)
- Students, parents, and preparers may start, complete, and submit a FAFSA

FAFSA Submission Summary

- Four sections:
  - Eligibility Overview
  - FAFSA Form Answers
  - School Information
  - Next Steps
- Ability to print summary

Making Corrections

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

- Using online FAFSA;
- Updating paper FAFSA Submission Summary; or
- Submitting documentation to college's financial aid office

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NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

Special Circumstances

- Different than unusual circumstances (dependency overrides)
- Unique conditions exist that cannot be documented with the FAFSA, or circumstances have changed since filing
- Student should contact institution’s financial aid office for more information
- Decisions are final and cannot be appealed to U.S. Department of Education

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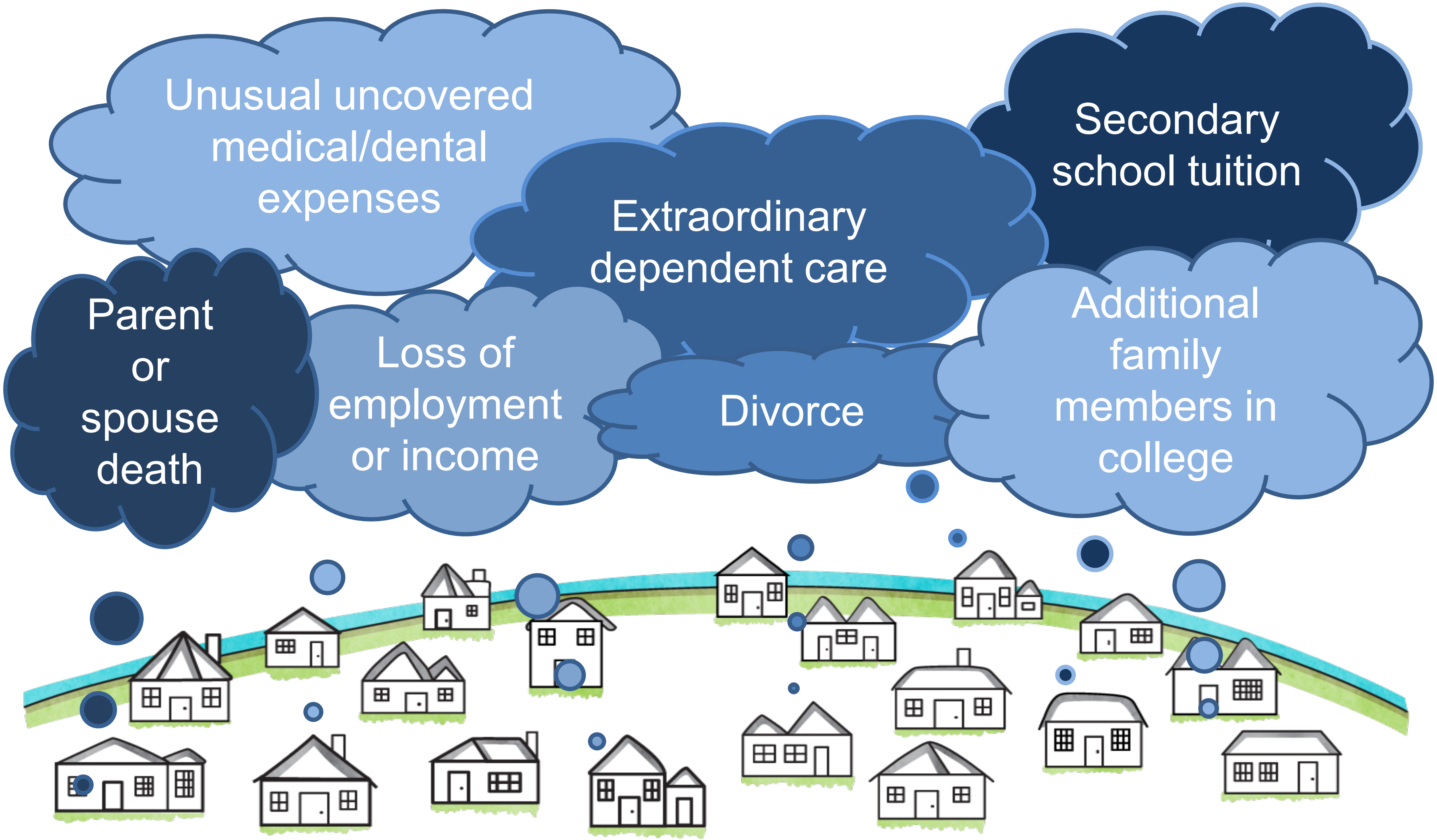
Special Circumstances



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Additional Required Forms From Some Applicants

- **College Scholarship Service (CSS) Profile** - used to determine eligibility for institutional grants/scholarships. Must complete both the registration and application process. Register and apply on-line at https://student.collegeboard.org/css-financial-aid-profile May include Non-Custodial Parent form and/or the Business/Farm Supplement.
  - Some schools may use an institutional application instead.
- **NYS TAP Application (ETA)** - used to award the NYS grant/scholarship programs. The ETA is generated from a completed FAFSA and must be updated if necessary, signed and returned to NYS. Families with a NYS taxable income of $125,000 or less may qualify for an award ranging from $500 - $5,665.
- **Institutional Financial Aid Application** – used by some schools due to FAFSA delay and/or to collect additional information

Role of the Financial Aid Office

- Determines eligibility for financial aid
- Packages aid
- Sends an award notification which details:
  - Student’s cost of attendance
  - How the student’s need was determined
  - Amount of student’s financial “need”
  - Types and amounts of aid offered

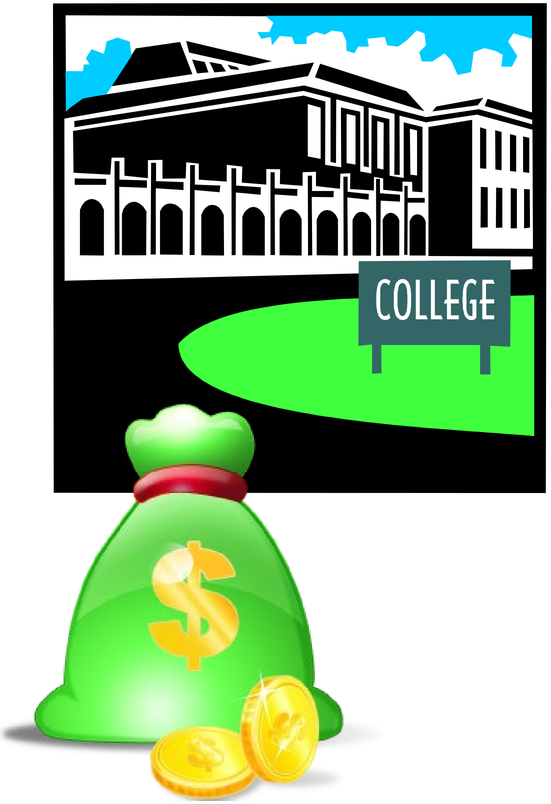
What is Financial Aid?

- Scholarships
- Grants

Gift Aid

- Loans
- Work Study

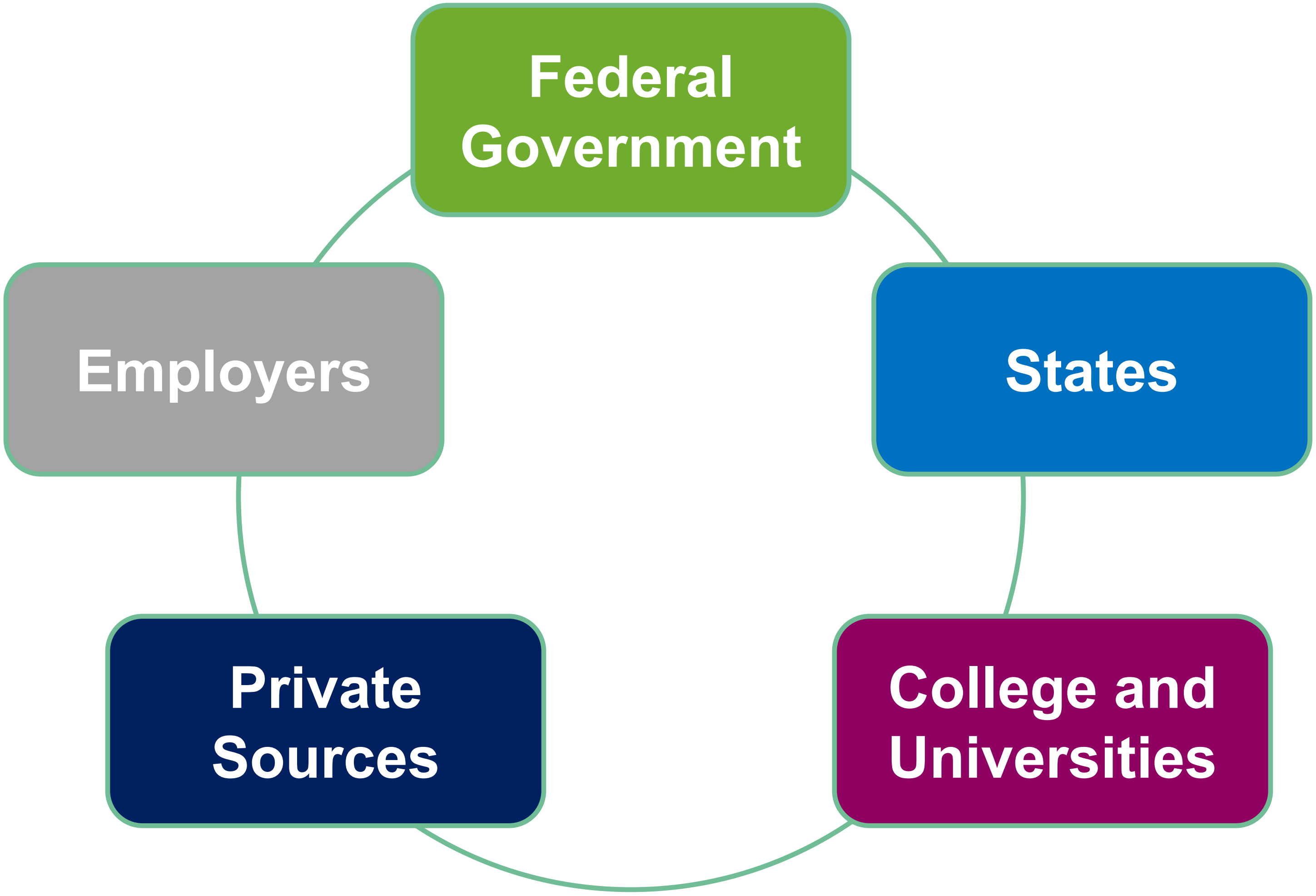
Self-Help Aid



Categories of Aid

- Need-based
- Non-need-based
  - Merit
  - Talent
  - Leadership
  - Denominational

Sources of Financial Aid



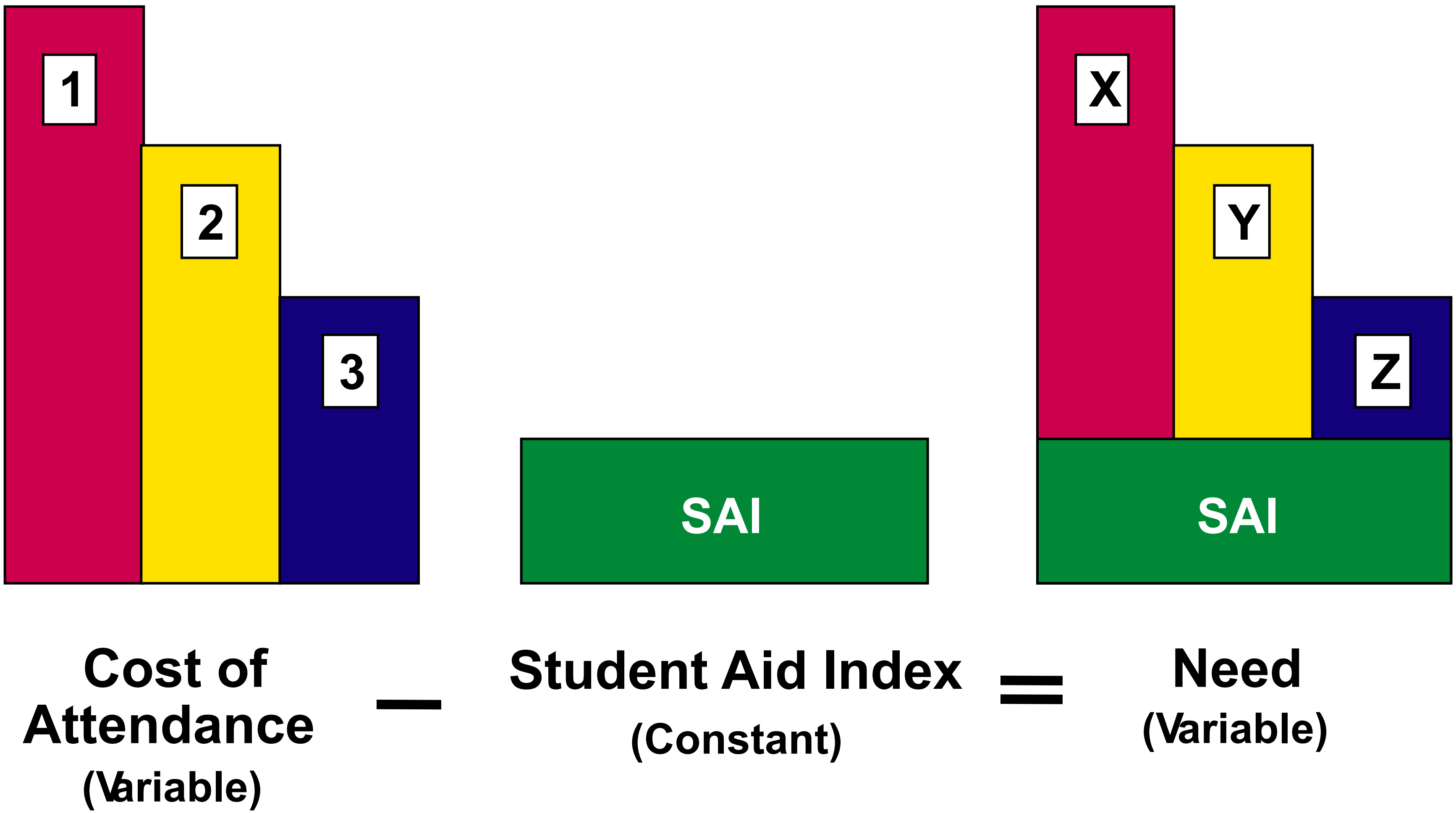
Definition of Need

Cost of Attendance (COA)

– Student Aid Index (SAI)

= Financial Need

Need Varies Based on Cost



Cost of Attendance

- Tuition and fees
- Housing and food (living expenses)
- Books and supplies
- Transportation
- Miscellaneous and personal

What Is Student Aid Index (SAI)?

Number resulting from the evaluation of a student's (and family's) approximate financial resources for a student's postsecondary education

Student contribution

Parent contribution

(for dependent students)

SAI - Parent's Income

- Determine available parent income:

	Total income (taxable and untaxed)
-	Income exclusions (e.g. child support paid)
-	Taxes (federal, payroll tax)
-	Income protection allowance for basic living expenses (food, shelter, etc.)
-	Employment expense allowance (if eligible)
=	Available income

SAI - Parent's Assets

- Determine available parental assets:

	Cash, savings, checking accounts
+	Annual child support received for the last complete calendar year
+	Adjusted Farm/business net worth
+	Real estate/investment equity (not including primary residence)
-	Asset protection allowance
x	Asset conversion rate (12%)
=	Contribution from assets

SAI – Parent’s Contribution

- Determine parental contribution:

	Available income
+	Contribution from Assets
=	Adjusted Available Income – placed in calculation table to determine PC

SAI - Student's Income

- Determine available student income:

Student AGI

\- Income exclusions (e.g. FWS and education credits)

\- Taxes (federal, payroll)

\- Income protection allowance ($9,410)

\- Allowance for parents' negative AAI

x 50% assessment rate

= Income contribution from student

SAI - Student's Assets

- Determine available assets:

	Cash, savings, checking accounts
+	Farm/business net worth
+	Net worth of investments/real estate
x	Asset conversion rate (20%)
=	Student's Contribution from assets

Student Aid Index (SAI)

Parents' contribution

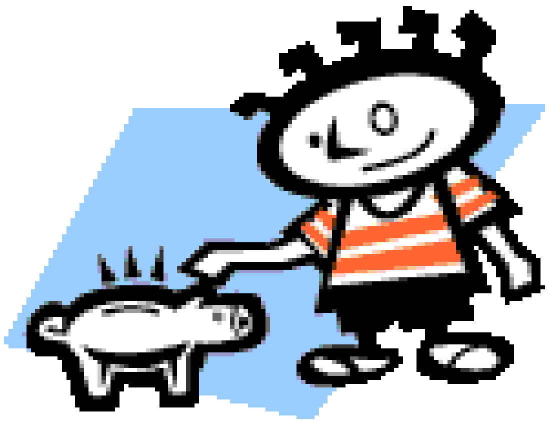
\+ Student's contribution from income

\+ Student's contribution from assets

Student Aid Index (Continued)

- Family choices:
  - Saving
  - Borrowing
  - Using current income
  - Combining all three

Meet Dirty Harry!



PC	$85,779
SC	$641
SAI	$86,420

- 4 in family/2 in college
- $276,682 total income
- $289,500 parent's assets
  - $4,500 cash/bank accounts
  - $289,500 real estate/investment equity
- Student's wages - $758
- Student's savings - $3,207

Meet Snow White!

- 4 in family/1 in college
- $117,754 total income
- $2,651 net worth
  - $2,320 cash/bank accounts
  - $331 real estate/investments
- Student's income - $0
- Student's assets - $1,260

PC	$16,874
SC	$252
SAI	$17,126

Meet Annie Apple

- 3 in family/1 in college
- single parent
- $16,562 AGI
- $0 net worth
- Student's wages - $0
- Student's savings - $0

PC $0

SC $0

SAI $0

Automatic Zero EFC if eligible to file 1040A or EZ, dislocated worker, or recipient of a federal benefit program

Myths & Misconceptions

- Saving for a college education will hurt you in the long run
- Families are expected to drain their assets
- Outside scholarships will automatically reduce the family contribution

Benefits of Early Planning & Saving

- Student has all educational options open regardless of college costs
- If the student is eligible for financial aid, parent's savings are not counted dollar for dollar (only approximately 4-6%)
- Student may have to borrow less
- Spreading out the cost of college will lessen the impact on your lifestyle during the years you pay for college

Other Financing Options

- Federal Parent Loan for Undergraduate Students (FPLUS) – 8.94% fixed rate, repayable over ten years
- Interest Free Payment Plans - interest free, small enrollment fee, spreads payment over 10-12 months
- Other Alternative Loan - in student's name, credit-worthy co-signer required, interest based on credit score, 10-15 year repayment

Federal Parent PLUS Changes

- New borrowers on or after July 1, 2026:
  - Annual loan limit: $20,000 per dependent student
  - Aggregate loan limit: $65,000 per dependent student
- Legacy borrowers may borrow at previous loan limits for the shorter of:
  - 3 academic years; or
  - Time for student to complete program

Things to Remember

- File all required applications on time!!!! Different institutions may have different deadlines.
- Inform the Office of Financial Aid directly if you have special circumstances/concerns.
- Use **ACTUAL 2024 INCOME (for 2026-27) through automatic data exchange**.

Net Price Calculator

- Authorized in 2008 as part of the Higher Education Opportunity Act (HEOA).
  - Requires that all Federal Title IV Eligible institutions have a NPC on their website.
- Deadline for compliance was October 29, 2011.
- Purpose is to provide the student and family with a tool to estimate the true net cost (COA minus total grant) and compare colleges using institutional specific data and student's individual circumstances.