

Insider Series
2021-2022 Edition



Financial Aid INSIDER

A Comprehensive Guide
to Funding College



THE
NHHEAF
NETWORK

Center for College Planning

About NHHEAF's Center for College Planning

Each year, the Center for College Planning (CCP) at The NHHEAF Network is dedicated to providing students and families with free valuable information about the college planning process. Through virtual and in-person programming, our counselors serve students and families across the state, including 100% of public high schools. The CCP offers an array of early awareness, college and career planning, and financial aid programs for K-12 students, parents, and school counselors.

About This Guide

College is one of the biggest investments you will make in your lifetime, so it's important to consider the impact of your choices. Each year, there are billions of dollars offered to students to help pay for college. However, it's crucial to understand what's available and what must be done to receive this aid. Paying for college can be one of the toughest parts of earning your degree — but it doesn't have to be. Use this guide to learn about what financial aid is (and what it isn't), and to help you navigate and understand the process of applying for financial aid, interpreting your offer, and the options for paying for college.

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Understanding Financial Aid

Financial Aid Philosophy

FACT: COLLEGE IS EXPENSIVE.

The philosophy of financial aid is to supplement, not replace, what the family can contribute toward educational expenses (such as tuition, books, supplies, and transportation). Students and families have an obligation to be responsible for contributing a reasonable portion of their educational expenses. However, a lack of funds should not keep a student from obtaining a post-secondary education, thus the Federal Government and the institutions themselves offer gift aid and self-help aid in various forms and combinations: grants, scholarships, work study, and loans.

Note: In most cases, students and families end up taking out loans to help pay for college. For some ways families meet this funding gap, see [page 21](#).



Meeting your financial aid deadlines is just as essential as meeting your college application deadlines.

Types of Aid

There are many different forms of financial aid to help you pay for college. A majority of that aid comes from the federal government and the colleges themselves, though aid can come from private sources as well. Financial aid can be grouped into two main categories: gift aid and self-help aid.

CATEGORY OF AID	DESCRIPTION	POSSIBLE SOURCES:
<p>GIFT AID</p> <p>This form of aid, as its name suggests, is a “gift” of free money for college. Gift aid does not have to be paid back after you graduate. Gift aid can be awarded on the basis of merit or need.</p>	<p>Merit-Based Gift Aid is awarded to students in the form of scholarships based on a certain talent (performing arts, athletics), academic accolade (GPA, standardized test scores), being part of a certain group (student from a particular city, nursing major), etc. Typically, if the college offers a scholarship, it is renewable for future years as long as the student still meets the specified criteria the school sets forth (maintains a certain GPA, or is an active member of the sport for which it was awarded, for example).</p>	<p>Colleges</p> <p>Your State</p> <p>The Federal Government</p> <p>Groups, Organizations, and Individuals</p>
	<p>Need-Based Gift Aid is awarded to students based on their family's financial circumstances as documented on the Free Application for Federal Student Aid (FAFSA) and other financial aid paperwork. This aid is generally called a grant and must be reapplied for each year you will be in college.</p>	<p>Colleges</p> <p>The Federal Government</p> <p>State Agencies</p>
<p>SELF-HELP AID</p> <p>This form of financial aid requires repayment or is earned through work.</p>	<p>Work-study allows you to earn money for college through an on-campus job. During the school year, you can work part-time through a Federal Work Study program (FWS) to earn money that can either be received in a paycheck or put towards outstanding school fees like tuition. Only students who demonstrate financial need will receive work-study.</p>	<p>Colleges</p> <p>The Federal Government</p>
	<p>Federal student loans offer you the opportunity to borrow money in your own name to help pay for college. Every student who files a FAFSA is eligible to receive student loan money from the federal government. However, your financial need will determine if these loans will or will not accumulate interest while you are in school (see page 17).</p>	<p>The Federal Government</p>
	<p>Private student loans allow you to supplement other financial aid. If a student receives any need-based financial aid from the federal government, state government, or the school itself, the total of that aid plus any private scholarships must fit within the student's eligibility for need-based financial aid.</p>	<p>State Agencies</p> <p>Private Loan Companies</p> <p>Credit Unions and Banks</p>



Full Need Schools

Some colleges meet a student's full demonstrated need. Colleges that “meet full need” will offer admitted students enough financial aid to cover the difference between the college's cost of attendance (COA) and a family's ability to pay. For some schools this amount is determined using the Expected Family Contribution (EFC) based on information reported on the FAFSA (see [page 15](#)). But most colleges with generous financial aid also require a second financial aid form—the CSS Profile—and they use that to guide their institutional financial aid formula.



Financial Aid & Your College Search

For most students and families, cost is a primary factor in the college decision process. Yet, many wait to begin considering college costs until after financial aid offers are received. This may limit your college choices. Students are often forced to reject one or more of their top choice colleges due to finances. Taking some simple steps earlier in the college application process can help you to avoid a similar situation.

Have the “Money Talk” Early

Talking about finances is more important than ever. Although talking about finances with your parents might be difficult, setting expectations about money before you begin the college search process will go a long way toward making decisions that will work for you and your family. Consider these questions as part of your discussion:

1. Is there a particular amount you are able/willing to contribute toward your education (from savings, summer jobs, graduation money)?
2. Is there a particular amount your family is able/willing to contribute toward college costs?
3. How did the pandemic impact our finances? Will this impact paying for college?
4. Are there other costs which should be included in the budget (books, travel, cell phone, entertainment, computer, etc.)?
5. Do you or your family have any money set aside for your college education?
6. Who will take out loans if they are needed?
7. What happens if one (or more) of the schools on your list does not offer enough financial aid for you to comfortably afford to attend? Will you begin at a community college? Take a few online classes? Take a gap year?



Consider Net Price, Not Sticker Price

Understanding the Difference Between Sticker Price and Net Price

\$59,000 **Sticker Price**
(listed on school's website)

-\$35,000 **Gift Aid - Free Money**
(scholarships, grants)

\$24,000 **Net Price**
(actual cost to attend)

STICKER PRICE VS. NET PRICE

Many students and parents make the mistake of using a college's **sticker price** – the price published on their website – as a determining factor in evaluating potential colleges. The truth is, most students will pay less than the sticker price because of financial aid. Colleges you consider to be out of reach financially may be more affordable than you think. So instead of focusing on sticker price, concentrate on the actual price you will pay after subtracting any scholarships or grants you might receive. This is called the **net price**.

NET PRICE CALCULATORS

Net price calculators are available on each college or university's website and allow you to enter information about you and your family to get a personalized estimate of your net cost to attend the institution. Each college's estimate is specific to you because it is based on your personal circumstances and the college's financial aid policies. Net price calculators offer a more informed method of deciding which colleges may be the most affordable for you. Remember that these are estimates – the actual price you pay may be higher or lower than the college's net price calculator indicates.

TIPS FOR USING NET PRICE CALCULATORS

- Use net price calculators before finalizing your college list if cost will be a factor in your decision.
- Use these calculators strategically. See how your GPA and/or test scores could help you receive merit awards at your chosen college(s).
- Ask a school how accurate its calculator is – some schools may offer merit aid that is not accounted for in their net price calculator (but would significantly reduce your cost).
- Note the year for which costs are being calculated; some schools may not have updated their cost of attendance to reflect current costs.

Applying for Financial Aid

Application Forms

Organization is one of the most important factors in successfully completing the necessary forms and meeting the deadlines to be eligible for financial aid. Each school will require one or both of the forms mentioned below and may have separate deadlines for each. Before adding a college to your list, check the financial aid website to determine the deadline for all financial aid forms. The deadline often changes depending on where you apply and how you apply (early action, early decision, regular decision, or rolling decision. To learn the difference between these deadlines, reference our **College Admissions Insider**). Keeping a calendar of important dates right on the refrigerator where everyone is bound to look at it multiple times a day is a great way to stay organized and meet deadlines!



If a parent is filing the CSS Profile on your behalf, they must use your College Board® username and password when accessing the form.

Free Application for Federal Student Aid (FAFSA)

The FAFSA is the application for federal student aid used to evaluate a family's ability to pay for college and to determine eligibility for federal grants, work-study programs, and education loans. Colleges also require the FAFSA to determine eligibility for their own aid. The FAFSA cannot be filed until October 1st of your senior year, but you should file well before your individual school's deadlines. Filing the FAFSA is important because it determines eligibility for financial aid. If you do not submit the FAFSA, you may not be eligible for loans, grants, and scholarships from the school or the federal government. File your FAFSA online at studentaid.gov/h/apply-for-aid/fafsa.

CHANGES TO THE FAFSA BEGINNING OCTOBER 1, 2021:

1. The Selective Service and drug conviction questions (as well as the option to register with the Selective Service via the FAFSA) will remain on the FAFSA, but failing to register with the Selective Service or having a drug conviction while receiving federal Title IV aid will no longer affect a student's Title IV aid eligibility. Schools must ignore these questions and may not use as a reason to deny aid to a student.
2. Repeal of the lifetime subsidized loan eligibility, known as Subsidized Usage Limit Applies (SULA). The Education Department (ED) announced it would repeal the limit on how long borrowers could attend school without accruing interest on their need-based federal student loans. This SULA restriction created a "maximum eligibility period" for Direct Subsidized Loans set at 150% of the published length of a student's program. For example, if a student is enrolled in a four-year bachelor's degree program, the maximum period for receiving Direct Subsidized Loans has been six years. For an associates program, the maximum has been 3 years. This maximum is going to disappear. A student can apply for and potentially receive subsidized loans (based on need) for the number of years it takes them to get their first degree.

HAVE YOU CONSIDERED NOT FILING A FAFSA BECAUSE YOU'VE HEARD YOU MAY NOT QUALIFY FOR AID?

The good news is almost everyone qualifies for something! Even if you don't receive free money, the only way to know if you qualify for most aid, including private scholarships, is to file a FAFSA. Don't miss out on aid- take the time to file your FAFSA! Concerned about the impact of your or your family's citizenship status? You have options- keep reading!



QUESTION AND ANSWER: THE FAFSA FOR UNDOCUMENTED STUDENTS AND/OR PARENTS (FROM STUDENTAID.GOV)

1. As an undocumented or DACA student, am I eligible for federal student aid?

No. Undocumented students, including DACA students, are not eligible for federal student aid. However, you may be eligible for college financial aid, and there are many private scholarships specifically for undocumented students.

2. To complete the FAFSA, do I need a Social Security number (SSN)?

Yes. A SSN is necessary to complete the FAFSA form. If you are completing the FAFSA online, a SSN is required to create a username and password called the FSA ID, which can be used to electronically sign the FAFSA. Most undocumented students aren't eligible for an SSN; thus, they cannot complete the FAFSA form. If you have a SSN, you can file the FAFSA.

3. Does my parents' citizenship status affect my eligibility for federal student aid?

No. Your parents' citizenship status doesn't affect your eligibility for federal student aid. In fact, the FAFSA does not ask about your parents' status.

4. In order for me to complete the FAFSA, do my parents need SSNs?

No. Since your parents' citizenship doesn't affect your ability to complete the FAFSA form, they don't need SSNs. If your parents don't have SSNs, they must enter 000-00-0000 when the FAFSA form asks for their SSNs. If your parents don't have SSNs, they won't be able to create FSA IDs and therefore won't be able to sign your FAFSA form electronically. You'll have to print out the signature page from the online FAFSA form so that your parents can sign it and mail it to the address indicated.

5. On the FAFSA, how do I submit my tax information for myself and my parents?

If you are completing the FAFSA form online and you filed your income tax return with the Internal Revenue Service (IRS), you may be able to access your tax information through the IRS Data Retrieval Tool (DRT). If you didn't file an income tax return with the IRS, enter the requested financial information manually. If completing the FAFSA form on paper, follow the instructions that detail how to answer the financial information questions.

CSS Profile

The CSS Profile is an **additional** online financial aid form required by roughly 240 colleges and scholarship programs nationwide. The CSS Profile form does not take the place of the FAFSA requirement at these schools, it is filed as a secondary financial aid form. This form allows colleges to gather more information to assist in awarding their institutional grants and scholarships. Unlike the FAFSA, this form is not free. There is a \$25 registration fee (which includes sending the results to one college) and a \$16 charge for each additional school. The fee may be waived based upon the answers to the financial questions in the registration process. For an updated list of colleges requiring the CSS Profile form and to register to complete the application, visit cssprofile.org.

Application Deadlines

Keep track of your financial aid deadlines with a chart like the one below. Remember that to receive maximum consideration for financial aid, you must complete the required application forms by the correct deadline.

FINANCIAL AID TRACKER

COLLEGE	FAFSA DEADLINE	CSS PROFILE® REQUIRED?	CSS PROFILE® DEADLINE

FAFSA Filing: Create a Federal Student Aid ID (FSA ID)

Your FSA ID is a username and password combination used to confirm your identity and electronically sign your federal student documents, including the FAFSA. To create your FSA ID visit studentaid.gov/fsaid. Once you have created your FSA ID, you can start the FAFSA, save your progress, and log in and out as you wish.

FSA ID TIPS

- Create an FSA ID for yourself and a separate FSA ID for one of your parents
- Students and parents cannot use the same email address or cell phone number to set up the FSA ID
- Do not use your high school email address because once you graduate, that account will be deactivated - you will need to access this email in the future, so use an email you will be able to access
- Be sure to enter your name and Social Security number exactly as they appear on your Social Security card
- Have access to your email and cell phone while creating your FSA ID - you will be prompted to verify your email address by accessing a link sent to your account and your cell phone number through a text message sent to your phone
- Keep your username and password (and those of your parent) in a safe place as you will need them each time you access your FAFSA or the federal aid website

The FAFSA Belongs to You (the Student)

Read every question carefully! Wherever you see the words “you” and “your” on the FAFSA, this always refers to the student, not the parent.

When filing your FAFSA, use your (and your parents') legal name(s) as they appear on each Social Security card. Note: nicknames, married names, maiden names, and incomplete names should be checked to avoid processing delays. The email address you use in the student information section of the FAFSA is the address that will receive all correspondence regarding FAFSA. Check your emails frequently. Be sure to count yourself as one of the people in your household. You will be a college student during the FAFSA award year.

Use Tax Information from the Correct Year

This easy-to-read chart outlines which tax form your family should use when filing the FAFSA form, based on the academic year you will attend college.

HIGH SCHOOL CLASS	WHEN A STUDENT IS ATTENDING COLLEGE (SCHOOL YEAR)	WHEN A STUDENT CAN SUBMIT A FAFSA	WHICH YEAR'S INCOME AND TAX INFORMATION IS REQUIRED
Class of 2022	July 1, 2022 -	Beginning	2020
	June 30, 2023	October 1, 2021	
Class of 2023	July 1, 2023 -	Beginning	2021
	June 30, 2024	October 1, 2022	

Use the IRS Data Retrieval Tool

The IRS Data Retrieval Tool (IRS DRT) allows students and parents who filed a U.S. tax return to access their IRS tax return information and, with the click of a button, transfer the necessary data directly into their FAFSA form. Using the IRS DRT is the easiest and most accurate way to provide your tax return information and lowers the chances of being selected to verify the information on your FAFSA (see [page 13](#)).

IRS DRT TIPS:

- Select "Link to IRS" in the student and parent finances section of the FAFSA to transfer your (and your parents') tax return information from the IRS website into your form
- Once at the IRS site, enter your information exactly as it appears on your federal income tax return (for example, if on your tax return your mailing address is listed as "101 Main Street," your information will not transfer if you enter "101 Main St" in the IRS DRT)
- For your protection, your tax information will not be displayed on the IRS site or on your FAFSA — you will see "Transferred from the IRS" in place of your tax information on the FAFSA

WHO IS NOT ABLE TO USE THE DRT?

- Married student or parents who filed their taxes separately ("married filing separately")
- Married student or parent who filed (or whose spouse filed) as Head of Household
- Parents who filed their taxes together ("married filing jointly") during the required tax year, but are no longer married or are separated
- Parents whose marital status is "Unmarried and both legal parents living together"
- Student or parent who filed a Puerto Rican, foreign tax return, or an IRS Form 1040-NR or 1040NR-EZ
- Students or parents who filed their tax returns electronically within three weeks of your FAFSA filing date, or through the mail within the last 11 weeks

If you're ineligible or choose not to use the IRS DRT, your college might require a copy of your IRS Tax Return Transcript, and your parents' IRS Tax Return Transcript if you're a dependent student, for verification purposes (see [page 13](#)) — visit irs.gov/individuals/get-transcript to obtain a tax transcript.



Parents & the FAFSA

Your dependency status will dictate whose financial information must be reported on the FAFSA. Dependent students must report their parents' finances, while independent students will only include their own financial information. Many students going to college directly out of high school are considered dependent students, but there are specific questions on the FAFSA to help you determine your status.

A student is considered independent for the purposes of federal student aid only if one or more of the following is true. They:

- are age 24 or older
- are married
- have a child who receives more than half of their support from the student
- were in foster care, a dependent or ward of the court, or both parents were deceased at any time since the age of 13
- have been declared homeless by their high school liaison
- have a legal guardian who is not the parent or stepparent

For a complete list of criteria for independent student status, visit studentaid.gov/dependency.

The philosophy of the federal student aid program is that it is primarily the student and their family's responsibility to pay for the student's education. For dependent students, this means collecting parent information in order to provide a complete picture of the family's circumstances. Supplying your parents' financial information for the FAFSA does not obligate your parents to pay for college, but their finances will be used to determine your eligibility for aid.



Which Parent(s) to Include

When filing the FAFSA as a dependent student, the "parent" is considered to be your legal parent (biological or adoptive) and stepparent. The following people are NOT considered parents unless they have legally adopted you: widowed stepparent, grandparents, foster parents, older brothers or sisters, aunts or uncles. Use the following chart to determine which parent(s)' information to include on the FAFSA.

IF...	FILE THE FAFSA WITH...
Parents are married to each other	Both parents
Parents are divorced or separated	The parent with whom you lived 51% or more of the time during the last 12 months. If you lived the same amount of time with each divorced or separated parent, file the FAFSA with the parent who provided more financial support during this time. This parent is considered the "custodial parent" for financial aid purposes.
Parents are divorced and custodial parent is remarried	Custodial parent and stepparent
Biological parents are not married, but are living together	Both parents. Since unmarried parents would not be able to file taxes jointly, you will need to combine their adjusted gross income and tax liabilities and list them together on the FAFSA.



Students are not able to declare themselves "independent" unless they meet the federal guidelines.

Not living with your parents or not being claimed on their tax forms does not make you an independent student. You are still considered a dependent student.

Income and Asset Information

This chart outlines which assets are included on the FAFSA form, and who needs to claim ownership for each type of asset (parent or student).

	PARENT	STUDENT
NOT INCLUDED	<ul style="list-style-type: none"> • Primary residence • Retirement funds (401K, 403B, IRAs including Roth) • Annuities and insurance policies • Value of family-owned businesses (if under 100 employees) 	<ul style="list-style-type: none"> • Student-owned retirement funds • (IRAs including Roth)
INCOME	<ul style="list-style-type: none"> • Wages • Rental income • Interest and ordinary dividends • Cashed in pensions, annuities and IRAs • Child support received for all children in the house 	<p>Adjusted Gross Income Under \$6,970 Not Considered</p> <ul style="list-style-type: none"> • Wages • Interest and ordinary dividends
ASSETS	<p>Up to 5.64% of Assets</p> <ul style="list-style-type: none"> • Cash, checking, and savings • CDs, stocks, bonds, money markets, mutual funds • Equity of any property other than primary residence • Coverdells • 529s for all children 	<p>20% of Assets</p> <ul style="list-style-type: none"> • Cash, checking, and savings • UTMA and UGMA accounts • Savings bonds (in their name)
NUMBER IN COLLEGE	<p>Both the student's and parents' financial information is calculated to determine the student's Expected Family Contribution (EFC) (see page 14). The parent contribution portion of the EFC is divided by the number of children enrolled in college. Each child will need to file their own FAFSA application and will have their own EFC based on a combination of parent contribution and student contribution.</p>	

Special Circumstances

You and your family may have circumstances which affect your ability to contribute to postsecondary education expenses, but there is no place to report these circumstances on the FAFSA.

Some of these situations may include:

- Loss or reduction of employment
- Loss of untaxed income, such as child support
- Separation or divorce of parents
- Death of a parent
- Unusually high medical or dental expenses not reimbursed by insurance

If you want your colleges to consider your special circumstances when they offer your financial aid, you must send a letter or complete a special circumstances form for each school to which you are applying. Be as detailed as possible, including dollar amounts for the items you are discussing. Check each financial aid webpage for a special circumstances form to complete and more detailed instructions or reach out to a financial aid professional with your questions. If your school requires the CSS Profile, there is a box to include special circumstances on the form.



Verification: If It Happens, Don't Be Nervous

“Verification” is a process utilized by higher education institutions to identify and correct any potential discrepancies on a student's FAFSA. This allows them to have correct information as it relates to disbursement of financial aid to qualifying, accepted students. About 30% of students who complete the FAFSA are chosen for random verification, but sometimes a student's FAFSA may need to be double-checked for accuracy. The colleges' financial aid (FA) office will ask for specific documents to be provided, as well as completion of their own Verification Worksheet. The FA office cannot distribute any aid until they have all the requested documentation by their indicated deadline.

TYPICAL INFORMATION THAT NEEDS TO BE VERIFIED

You have been asked to verify tax/income information:

Depending on how you or your parents filed taxes, the IRS Data Retrieval Tool (DRT) may not have been an option when doing your FAFSA the first time, so you entered data manually. You may be asked to go back into your FAFSA, and use the DRT as part of the verification process. It is important to try using the tool again. That is the preferred method.

If you are ineligible to use the IRS Data Retrieval Tool, you will be asked to submit a **Tax Return Transcript** (see the How To below).

You have been asked to verify household/family information:

You can answer this on the Dependency Verification worksheet the school will provide to you.

If you have any other information to be verified, be sure to provide the appropriate documentation requested, and ask the FA office for any more clarification on what they want and how they want it (uploaded to a site, faxed, or emailed).



*If you have applied to more than **one college**, know that you may be asked to submit verification forms to each one. Pay attention to your email – schools may request more information from you and your family.*

Effective July 13, 2021 and for the remainder of the 2021-22 FAFSA processing and verification cycle, the Department of Education is waiving verification requirements for most Free Application for Federal Student Aid (FAFSA) information. This waiver would impact students who filed their FAFSA prior to June 30, 2021.

Determining Eligibility for Financial Aid

Expected Family Contribution (EFC)

The primary reason a student files the FAFSA is to get an Expected Family Contribution. This is a critical number in financial aid because it determines eligibility. Upon filing the FAFSA, students will receive their EFC on the confirmation page and find it on the Student Aid Report (SAR).

What It Is (from Federal Student Aid)	What It Is Not
A number that college financial aid staff use to determine how much financial aid you would receive if you were to attend their school. For example, if your EFC is \$8,000, and the college costs \$15,000 to attend, you may be eligible for \$7,000 worth of aid.	The amount of financial aid you will receive.
An estimate of how much a family can contribute towards one year of college.	What you will pay for college. A family may not pay the same amount as the EFC for a student to attend the college.
A calculation based on information provided on the FAFSA. Think: taxed/ untaxed income, assets, and family size.	A set calculation used once. You need to fill out the FAFSA each year to be eligible for financial aid.

SAMPLE CONFIRMATION PAGE

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

Confirmation Number: F 10300007009 09/06/2018 15:0:30
Data Release Number ([DRN](#)):

What Happens Next

- You will receive an e-mail version of this page.
- In 3-5 business days, you will receive an e-mail 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).

An abbreviated version of your confirmation page has been sent to you at the e-mail address:

[PRINT THIS PAGE](#)

Estimated Expected Family Contribution (EFC) = 000000

- The EFC is a measure of how much you can contribute to the cost of your education. Schools use your EFC to determine your federal student aid eligibility.
- The EFC is not how much aid you will receive or how much you have to pay for college.

Estimated Eligibility Information

- Based on the [eligibility criteria](#), you may be eligible for the following:
 - [Pell Grant](#) Estimate - \$6,195.00
 - [Direct Stafford Loan](#) Estimate - \$5,500.00
- You may also be eligible to receive other federal, state, or institutional grants, scholarships, and/or work-study.

In addition, you should learn about [federal tax benefits for education](#), including the American Opportunity Tax Credit (AOTC).

Your **Expected Family Contribution (EFC)** is listed on the confirmation.

Note: If you are eligible for a **Federal Pell Grant**, based on your EFC, it will be noted here with the estimated offer amount.

First year, full-time students are eligible to receive \$5,500 from a **Federal Direct Loan**.

Cost of Attendance (COA)

The cost of attendance (COA) is the cost to attend a particular college or university for one year. The COA includes both the direct costs (due directly to the college) and indirect costs (expenses that need to be covered outside of the bill paid to the college). Examples of both types of costs include:

DIRECT COSTS

- Tuition
- Fees
- Room and board

INDIRECT COSTS

- Books and supplies
- Travel expenses
- Lab fees
- Health insurance (if not insured through a parent)
- Study abroad fees
- Personal expenses



Be sure to account for both the direct and indirect costs when making your college decision and yearly budget.

Calculating Eligibility for Need-Based Financial Aid

Each college or university will determine whether a student demonstrates financial need using the following formula:

$$\text{Cost of Attendance (COA)} - \text{Expected Family Contribution (EFC)} = \text{Financial Need}$$

If a student demonstrates financial need and meets other eligibility criteria, they may receive need-based financial aid from the federal government or the individual college. A student cannot receive more need-based aid than the amount of their financial need. For instance, if a school's COA is \$32,000 and a student's EFC is 12000, the student's financial need is \$20,000; they are not eligible for more than \$20,000 in need-based aid.

Where Do Private Scholarships Fit In?

If a student receives any need-based financial aid from the federal government, state government, or the school itself, the total of that aid plus any private scholarships must fit within the student's eligibility for need-based financial aid. The following formula can be used to determine how much private scholarship money a student has room to receive:

$$\text{Cost of Attendance (COA)} - \text{Financial Aid Offered So Far} = \text{Eligibility for Private Scholarship Aid}$$

For instance, if the COA is \$32,000 and a student has been offered a total of \$18,500 in financial aid, the student can bring in up to \$13,500 in private scholarships.

In the event a student receives more outside scholarship than this gap allows, colleges must adjust the financial aid offer. Generally, this means reducing the amount of student loan or work-study offered. Occasionally colleges reduce their own gift aid. Speak with the financial aid office for more details.

Interpreting Financial Aid Offers

Students will receive a financial aid offer once they have been accepted to a college and have submitted the required financial aid form(s). This is the official offer of financial aid from the college. The financial aid offer will include different types of aid intended to meet all or part of the student's financial need (the difference between the expected family contribution and the cost of attendance) for one academic year.

Sample Financial Aid Offer

Financial aid offer packages look different at each college. While some colleges utilize the Federal Shopping Sheet (pictured), many create their own template. Some colleges include their estimated cost of attendance, or how much a student will potentially need for one year of college (including billable costs such as tuition, fees, and room and board if living on campus, as well as non-billable costs, such as transportation, books, supplies, etc.) right on their financial aid offer, while others do not.

Some financial aid offers will list the amount of free money (grants and scholarships) offered separately from loan options (Federal Direct Loans) and may include information such as net cost (a college's cost of attendance minus the total amount of grants and scholarships offered). The financial aid offer(s) you receive from your college(s) may not look exactly like the one shown here, but it is important for you and your family to understand the various components listed on each one. For help with understanding and comparing different offer letters, make a "Reviewing Financial Aid Offer Letters" appointment with us!

University of the United States (UUS)
Student Name, Identifier

Costs in the xxxx-xx 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 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
- Military and/or National Service benefits
- Non-Federal private education loan

Graduation Rate
Percentage of full-time students who graduate within 6 years

XX.X%

Low Medium High

Loan Default Rate
Percentage of borrowers who do not repay on time

X.X% X.X%

This institution National

Repaying your loans
To learn about loan repayment choices, go to: <http://studentaid.ed.gov/repay-loans/understand/plan>

For more information and next steps:
University of the United States (UUS) Financial Aid Office

Anytown, ST 12345
Telephone: (123) 456-7890
E-mail: financialaid@uus.edu

Customized information from UUS

COA

Gift Aid

Net Price

Self Help

Funding Options Beyond Financial Aid Offered

Source: collegecost.ed.gov

Types of Federal Financial Aid

PELL GRANT

A federal grant for undergraduate students with financial need. The amount offered is based on the results of the FAFSA form, specifically the EFC number. Pell grants do not need to be repaid.

FEDERAL SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT (FSEOG)

A federal grant for undergraduate students with exceptional financial need. Students must qualify for the Pell grant to receive the FSEOG, however, not all Pell recipients are offered an FSEOG.

FEDERAL WORK-STUDY

A federal student aid program that provides part-time employment while a student is enrolled in school to help pay their education expenses. The amount of Federal Work-Study earned does not get deducted from the college bill. Rather, it is money given to the student in a bi-weekly paycheck based on the number of hours worked. Not all students are offered work-study. Eligibility is based on the student's financial need and the resources the college has available in their work-study program.

FEDERAL DIRECT LOAN

Subsidized (does not accrue interest while in college) and unsubsidized (accrues interest while in college) loans are federal student loans for eligible students to help cover the cost of higher education at a four-year college or university, community college, or trade, career, or technical school. Subsidized loans are available to students who demonstrate need, while there is no requirement to demonstrate need for unsubsidized loans.

For more information about federal financial aid programs, visit studentaid.gov/understand-aid/types.



Colleges share financial aid offers differently. Check with each college to determine if the offer will be sent via mail, email, or student portal. And always check email for important next step information from the colleges. Remember, most correspondence will only be sent to your email, not your parents'.

FEDERAL DIRECT LOAN MAXIMUM ANNUAL AMOUNTS

DEPENDENT UNDERGRAD STUDENTS	SUBSIDIZED & UNSUBSIDIZED (Maximum amount of subsidized portion based on need)	ADDITIONAL UNSUBSIDIZED	MAXIMUM AMOUNT OF OFFER
Freshman	\$3,500	\$2,000	\$5,500
Sophomore	\$4,500	\$2,000	\$6,500
Junior	\$5,500	\$2,000	\$7,500
Senior	\$5,500	\$2,000	\$7,500



Comparing Financial Aid Offers in 3 Steps

DETERMINE NET PRICE FOR EACH SCHOOL

Since financial aid awards will differ in appearance from college to college, review them carefully to determine your family's true out-of-pocket costs at each school. Keep in mind that any Federal Direct Loans will need to be repaid, so while they are excellent loan options, they must be included in the total cost of the college. Follow these easy steps to figure out the net price of each school and determine which option is most affordable:

- 1. Find the total cost of attendance.** If the cost of attendance is not on the offer, check the financial aid office's website or call them directly. Remember the total cost of attendance often is more than tuition and room and board – indirect costs like books, supplies, and transportation are included in this number.
- 2. Subtract all gift aid (grants and scholarships) from the cost of attendance.** The remaining amount is your net price, or how much money is due to the school in the form of current income, savings, or loans.
- 3. Compare the net price for each school on your list.** What is your out-of-pocket expense at each school? Which option is most affordable? Center for College Planning staff can help you do this in a funding options appointment.

Note: If financial circumstances have changed since applying for aid, you can file an appeal. Appeals are a way for families to share additional information with a college, usually in the hopes of receiving more financial aid. If you feel your academic circumstances have changed since scholarship money was awarded (i.e. your grades went up significantly, you received higher SAT or ACT scores, you received an honor or distinction, etc.), contact the Office of Admissions at the college to discuss applying for a merit appeal. Appeals based on a family's change in financial circumstances should be submitted to a college's Financial Aid Office. While there is no guarantee a college will offer more aid based on a change in circumstances, colleges will do their best to assist the student.



Accepting Your Financial Aid Offer

When you receive your offer of financial aid, accept the scholarship and grant money awarded first. Remember, this is money that you do not need to pay back when you graduate from college. Be sure you understand the conditions or requirements for receiving these funds. Next, review the loans you were offered. If you will need to borrow, accept those loans with the most favorable conditions first starting with the Federal Direct subsidized and unsubsidized loans (see [page 17](#)).

SAMPLE FINANCIAL AID ACCEPTANCE LETTER

Dear Joe,

We are pleased to offer you the financial aid indicated below. Please accept or decline each offer by circling the A or D after each offer. Please sign, date, and return this form by May 1.

	Fall	Spring	Total		
Dean's Scholarship	5000	5000	\$10000	A	D
Federal Pell Grant	1922	1923	\$3845	A	D
Federal Work-Study	750	750	\$1500	A	D
Federal Direct Subsidized Loan	1750	1750	\$3500	A	D
Federal Direct Unsubsidized Loan	1000	1000	\$2000	A	D
	10,422	10,422	\$21,844		

You can accept or decline any part of your financial aid offer. So, if your high school graduation cards are filled with cash, or you work extra hard all summer, you are not required to borrow the Federal Direct Loans you were offered. Never borrow more than you must for your education!

Paying for College

7 Ways to Reduce College Costs

Beginning your college education at one of the seven Community College System of New Hampshire (CCSNH) schools can significantly reduce college costs. Or perhaps you can get a head start on your college coursework while you are still in high school. You may also take advantage of the discounted out-of-state tuition if your intended major is not offered at one of our state's colleges or universities. Learn more about the many ways to reduce college costs below.

- 1. Beginning your college education at one of the seven Community College System of New Hampshire (CCSNH) schools can significantly reduce college costs.** Or perhaps you can get a head start on your college coursework while you are still in high school; talk with your school counselor about taking Running Start, Early College, and/or eStart courses.
 - **NH Transfer:** Check out nhtransfer.org for information about transferring college credits earned in the Community College System of New Hampshire (CCSNH) to participating colleges and universities in New Hampshire. Use the database to determine if and how your credits will transfer.
- 2. You may also take advantage of the discounted out-of-state tuition if your intended major is not offered at one of our state's colleges or universities.**
 - **Tuition Break For New Hampshire Residents:** The New England Board of Higher Education's (NEBHE) Tuition Break program, the New England Regional Student Program (RSP), provides a discount on out-of-state tuition to New Hampshire residents when they enroll in approved degree programs at specific state colleges and universities in Connecticut, Maine, Massachusetts, Rhode Island and Vermont. New Hampshire residents are eligible for these degree programs because they are not offered by any of the New Hampshire state colleges or universities. Visit nebhe.org/tuitionbreak for more information.
- 3. Take Advanced Placement (AP) courses in high school and receive a score of 3 or more on the AP exam.** Check with each college to determine their requirement(s) to test out of a class.
- 4. Rent textbooks or borrow textbooks from the library.**
- 5. Leave the car at home.** Parking permits, gas, and car maintenance quickly add up. Need to get somewhere? Explore campus and public transportation options.
- 6. Use an existing health insurance plan instead of paying for the college's plan.**
- 7. Utilize student discounts offered by local merchants, banks, etc.**

Scholarships

It is estimated that \$7.4 billion in scholarships are available each year. Remember, every dollar you earn through scholarships is a dollar you do not have to borrow!

LOCAL AND REGIONAL SOURCES

These scholarships often have local and regional residency requirements making a student's "pool of competition" smaller and chances of winning higher.

New Hampshire Charitable Foundation (nhcf.org) is the largest source of private scholarship aid in New Hampshire. They award over \$6 million in scholarships to New Hampshire students annually. The student does not need to attend a college in New Hampshire to receive a scholarship, but they do have to be a New Hampshire resident to apply for a scholarship. Each year approximately 1 in 5 applicants receive a scholarship. Below are their programs and deadlines. NHCF has two scholarship programs: the Statewide Student Aid Program for students enrolling in a 4-year degree program and Career Aid to Technical Students Program for students enrolling in a 2-year or trade program. Check out their website for application deadlines.

NATIONAL SOURCES

These scholarships are available to students from all over the country making a student's "pool of competition" very large and chances of winning lower.

fastweb.com – This free matching service for scholarships offers a database of over 3 billion in national scholarships.

collegeboard.org – This national scholarship search engine can help you find scholarships and other financial aid from more than 2,200 programs, totaling nearly \$6 billion.

scholarships.com – This database holds over 3.5 million national scholarships and provides nearly \$19 billion to help students pay for college. Download their app to track scholarships!

scholarshipowl.com – This website streamlines the application process by having students complete one application. Once complete, the matching begins.

scholarships360.org – Rather than a database of billions of scholarships, this site selects quality scholarship opportunities and profiles a select number of reputable scholarships.

maldef.org - Scholarships for Latinx students and students of varying documentation status.

iefa.org - Scholarship opportunities for international students.



Start your scholarship search in the school counseling office at your high school.

When Financial Aid Isn't Enough

While financial aid can certainly help cover some of the cost of college, there is usually a gap between what is offered and the total cost that the family must cover. Families have options to meet the balance, and many choose to use a combination of funding types to do so. Families should research and understand their options fully before committing to a payment plan or loan program.

TYPES OF FUNDING OPTIONS

Tuition Payment Plans

Many colleges provide tuition payment plans which help limit the need for borrowing by allowing families to pay college costs from current income or savings. The plans offer no-interest payments which are divided over 8 – 12 months. There may be a small enrollment fee. Contact the financial aid office at your college for more information.

Federal Direct PLUS (Parent Loan for Undergraduate Students) Loan

The Federal Direct PLUS Loan is a government loan for parents. While parents can certainly ask their student to help with payments, ultimately the parent is responsible for repayment until the loan is satisfied. This loan has a fixed interest rate as well as a loan origination fee. The PLUS loan has a typical repayment term of 10 years, but options are available to defer payments while the student is enrolled at least half-time. A parent interested in this loan must complete a credit pre-approval process and the annual maximum he or she can borrow is determined by the cost of education less any other aid you have received. Visit studentaid.ed.gov/plus-app for more information.

Private Student Loan

Private student loans are available through lenders such as banks and financial organizations. These loans are usually in the student's name with a credit-worthy co-signer. Payments are often deferred while you are in school.

The NHHEAF Network has our own private loan program offering discounted rates and exceptional service to NH families. Visit edvestinu.com to learn more!

WILL I NEED A CO-SIGNER?

Many students do not have the necessary credit history, earnings or other criteria to qualify for a private student loan without a co-signer. Co-signers agree to take responsibility for loan payments in the event a borrower does not meet their obligation. Lenders have particular criteria co-signers must meet regarding earnings, credit score, credit history, etc. Each lender could have different criteria, so it's important for you and your co-signer to compare student loan options before committing.

THINGS TO CONSIDER WHEN LOOKING FOR A PRIVATE LOAN

Fees - Are there origination or repayment fees?

Interest Rate - Is the rate fixed or variable? If variable, how high can the rate go?

Repayment Options - When does repayment begin? Are in-school payments required?

Co-Signer - Is one required? How is the co-signer evaluated (credit score, credit history, debt-to-income ratio)? Can they be released after a certain number of payments?

Repayment Benefits - Are there interest rate reductions for autopay or having an existing account? Are there deferment options available?

Forgiveness - Is the loan forgivable in the case of death or disability?

Loan Comparisons

FEDERAL DIRECT PLUS LOAN	PRIVATE STUDENT LOAN
Fixed interest rate of 6.28%*	Variable or fixed interest rate tied to credit score(s) and Prime/LIBOR
In parent's name for life of loan	In student's name with a credit-worthy co-signer
10 year repayment; payments can be deferred while student is enrolled at least half-time as an undergraduate	10-20 year repayment; payments may or may not be deferred while student is enrolled at least half-time as an undergraduate
4.228% origination fee*	May have loan origination fee
No pre-payment penalties	May or may not have pre-payment penalties
Will accrue interest while student is in school	Will accrue interest while student is in school
Deferment & forbearance options available	Limited deferment & forbearance options available

* as of August 2021



When borrowing money for college, determine the cost for one year and request that amount from the lender to avoid needing to apply for another loan to finance 2nd semester.

Financial Aid Checklist

BEFORE YOU FILE

- Set up an FSA ID (info found on [page 8](#)).
- Create a spreadsheet including each school you are applying to AND each of your financial aid deadlines (suggested chart found on [page 8](#)).

READY TO FILE

- File the FAFSA on or after October 1, but no later than each school's deadline. File at studentaid.gov/h/apply-for-aid/fafsa.
- If required by the school, complete and submit additional financial aid paperwork (CSS Profile and/or Institutional forms) before each school's deadlines.

REVIEW/CORRECTIONS TO YOUR FAFSA

- The Student Aid Report (SAR) will be sent to you via e-mail or can be viewed online at studentaid.gov within three (3) days of submission. Review your SAR for accuracy.
- If necessary, correct inaccurate items online at studentaid.gov. Once corrections have been made and the FAFSA is re-submitted, the new information is automatically sent to the schools listed in the FAFSA.

VERIFICATION

- Promptly respond to any school requests for additional information or documentation as any delay can prolong the financial aid process.

FINANCIAL AID OFFER

- Each school to which you have been accepted will send a financial aid offer. Check with each school to determine if it will be sent via mail, email, or post in your college portal.
- Read all financial aid notifications. Most financial aid offers have conditions for receipt or renewal, such as earning a certain grade point average or being enrolled full-time.
- Some schools require you to accept the offer by either signing/returning the offer letter or accepting it electronically. If this action is required, you should promptly accept the offer from the school you plan on attending.
- Contact the financial aid office with any questions about the offer.

SCHOLARSHIPS

- Investigate private sources of financial aid. Check with your high school, local library, local businesses, and employer(s). Also, explore the New Hampshire Charitable Foundation scholarship opportunities at nhcf.org.
- IMPORTANT** – Notify your financial aid office of any outside or private scholarships, grants or other types of student aid you received or expects to receive. Ask the school for their policy on how outside scholarships may affect other financial aid.

COMPLETE MPN'S AND ENTRANCE COUNSELING

- Master Promissory Notes (MPN's) must be completed by students and parents prior to any loan funds being released to a college. Visit studentaid.gov to access MPN's for Federal Direct Loans and PLUS loans. Contact any private lender(s) to learn the MPN process through their organization.
- You must also complete Entrance Loan Counseling at studentaid.gov to have your Federal Direct Loan disbursed to your school.

How We Can Help

Timeline:	What We Offer:
Freshman through Senior Year	School-Based College Planning and Financial Aid Presentations – FREE presentations for students and parents in 100% of the public high schools in NH on a variety of college topics Check with your school counseling office or nhheaf.org to see our calendar of when we are in your community.
Spring of Junior Year	Destination CollegeSM – FREE day of college planning workshops and college fair – for current high school juniors and families destinationcollege.org
Spring of Junior Year through Fall of Senior Year	College Counseling Appointment – Appointment with student and family to discuss college planning and the admission and financial aid processes
Summer Before Senior Year	Summer Boot Camp Workshops – Workshops for rising high school seniors focused on helping them write the college essay or start their Common Application
Fall of Senior Year	Free Application for Federal Student Aid (FAFSA) Filing Appointment – Appointment to help file this important federal financial aid form any time after October 1st of the year you need to file
Winter and Spring of Senior Year	Funding Options Appointment – Appointment to review financial aid offer letter and discuss options to pay for college any time after a student receives their financial aid offer

For all appointment booking, go to calendly.com/nhheaf_ccp.



nhheaf.org
(888) 747-2382 x119
4 Barrell Court,
Concord NH, 03301

