

# All Things Senior

Lutheran High Westland Guidance News Feb 2009 Tim Gieschen, Guidance Director  
"If you are worried about what the future holds, trust HIM who holds the future." [tgieschen@lhwa.com](mailto:tgieschen@lhwa.com)

## COLLEGE FINANCIAL AID

To qualify for federal and state financial aid, students must complete a Free Application for Federal Student Aid (FAFSA) by March 1.

### Financial Aid comes from:

- Federal Government 67%
- Colleges and Private 28%
- State Aid 5%

## STEP 1: Gather Resources

- Federal Student Aid website [www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)
- For assistance with FAFSA call the Student Aid Info Center 800-4-FED-AID (1-800-433-3243)
- Free booklet: "Funding Education Beyond High School" (given to LHW students)
- Visit college websites for forms and scholarships

## STEP 2: Complete federal 2008 taxes for student AND parent

- You need financial data from your 2008 tax form to complete the FAFSA
- If you cannot complete your taxes by late Feb, you can file a FAFSA with estimated figures, but the actual figures are preferred
- Taxes do not need to be filed - just completed



## STEP 3: Submit college admission and housing deposits if they are refundable

- Don't wait until AFTER you receive your award package
- Especially for housing, it is advisable to send in a deposit early to secure your choice of dorm

## STEP 4: EARLY FEB: Apply for a FAFSA PIN

- [www.pin.ed.gov](http://www.pin.ed.gov)
- Use PINs to electronically sign your FAFSA and make corrections and view the SAR report
- The senior AND parent must apply for a PIN before completing the FAFSA online
- Receive PINs in 1 - 3 days if you supply an E-Mail address
- Same PIN is used for all 4 years of college



## STEP 5: Complete a FAFSA on the web worksheet (optional)

- A copy has been given to seniors
- May download from <http://www.fafsa.ed.gov/before012.htm>
- Has the same order that the questions appear using FAFSA on the Web
- Allows you to compile all data before going online
- Social Security Numbers
- Driver's license numbers
- 2008 W-2s of Parent and Student
- 2008 Fed. Income tax form (1040, 1040A, 1040EZ) for Student and Parent
- 2008 untaxed income records - Social Security, housing allowance, welfare, or veterans benefits
- Student and Parent most recent bank and broker statements
- Assets included: Education IRA, 529 Plans, Trusts, Prepaid Tuition Plan, CDs, Stocks, Cash, Mutual Funds, Savings Bonds
- Assets NOT included: 401K, Retirement IRA, Primary home value, consumer credit debt, cars, boats, trailers, assets of siblings



Question: Do I use my mom's or dad's income info if my parents are divorced?  
Use the income from the parent with whom you lived the most during the past 12 months.

## STEP 6: File your FAFSA online

- [www.fafsa.ed.gov](http://www.fafsa.ed.gov) Do not use [fafsa.com](http://fafsa.com) websites - you should NOT pay to file FAFSA
- Before March 1 (ideally mid Feb) to qualify for state aid
- Choose the 2009-2010 FAFSA - the year the student will be in college
- Complete one FAFSA for each college student in the family
- Data will be saved if you cannot complete in one sitting
- You may include up to 6 colleges on one FAFSA
- Student reapplies each year. Renewal FAFSA form for 2<sup>nd</sup> year is easier - some data carries over.



## STEP 7: Receive SAR (Student Aid Report) by email

- Note your Expected Family Contribution (EFC) - the amount (in dollars) your family is expected to pay for college
- An estimated EFC appears immediately after filing
- Families should receive their official SAR in 3-5 days
- Review your SAR data - if necessary, make changes or corrections and submit your SAR for reprocessing.

**How is EFC calculated?** Your EFC is determined by a formula called the Congressional Methodology. It varies with the age of the parent and family size.

**Sample: Family of 4 with 1 college student**

**Parent's contribution:**

$$30\% * (\text{Income} - \$23,660)$$

$$12\% * (\text{Assets} - \$43,400)$$

**+Student's contribution:**

$$50\% * (\text{Income} - \$3080)$$

$$20\% * (\text{Assets}) \text{ No asset protection}$$

= Expected Family Contribution (EFC)

## STEP 8: Additional forms for some schools

- Some private colleges require an extra institutional aid form
- Some schools (U of M, some private) use an additional PROFILE form  
<https://profileonline.collegeboard.com>
- Assets are evaluated using a different formula - examines Mortgage Balance of house and previous 2 yrs income tax returns

## STEP 9: Verification (for some)

- 1/3 of all applications are selected for the verification process
- Applicants submit copies of tax forms to the college if requested by the college

## STEP 10: Award letters

- Students should receive an Award Letter from each college listed on your FAFSA based on the SAR data
- It lists the Scholarships, Grants and Loans you are awarded. Compare amounts and types of aid being offered
- Many students do not make their final college choice until after the award letters are sent in March/April.
- Award letters usually have deadlines for acceptance. You should be able to ask college to wait until May 1 for your decision, BUT YOU NEED TO ASK FOR THE EXTENSION.
- After you have decided on a school, write to the school(s) you did not select and decline admission and award offers.
- Make your final decision with colleges by decision Day- May 1
- Contact college financial aid office with questions about the aid being offered
- Decide which college to attend based on a combination of
  - (a) how well the college suits your needs
  - (b) its affordability after all aid is considered

### Professional Judgment

If you have special circumstances

- Death or divorce of a parent
- High medical expenses
- Parochial Tuition for elem. or High School
- Change in income through layoff, retirement, or less overtime
- Disability

Contact each college to request reevaluation. Each college may adjust your EFC

Results may differ between colleges