

Overview of Financial Aid

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What is financial aid?

Funding that is available to help students attend post-secondary institutions

Roles of a Financial Aid Professional

- Provide students (families) with information on paying for college
- Stay up-to-date on the complex financial aid regulations
- Process and award financial aid in an equitable and compliant manner



Sources of Financial Aid



- Institution
- Private
- State
- Federal Government

- US Department of Education implements federal regulations in conjunction with the Higher Education Act (HEA)
- Originally signed into law in 1965, it constantly needs to be reauthorized
- The Department of Education notifies Financial Aid Professionals through DCL (Dear Colleague Letters) and updates to the IFAP (<https://ifap.ed.gov/ifap/>) website.

Basic Title IV Eligibility

- Must be admitted into a eligible degree program
- Must be US Citizen or eligible non-citizen
- Must not be in default of any Federal student loan
- High school graduate or equivalent
- Be registered with Selective Service (if a male)
- Have a valid Social Security #
- Maintain satisfactory academic progress
- Must complete a Free Application for Federal Student Aid (FAFSA)

Calculating Financial Aid

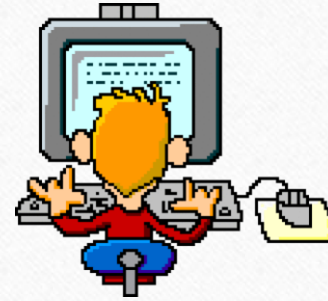
$$\text{COA} - \text{EFC} = \text{Need}$$

- Estimated Family Contribution (EFC)
- Measure of the family's financial strength
- Calculated according to law
- Lower EFC means the student will typically qualify for more aid

Cost of Attendance

- Provides a projection of reasonable and realistic costs
- FA professionals have some flexibility within allowable components
 - Actual or average may be used
 - Policy must be consistently applied
 - Exceptions must be documented
- Includes direct and indirect costs





School

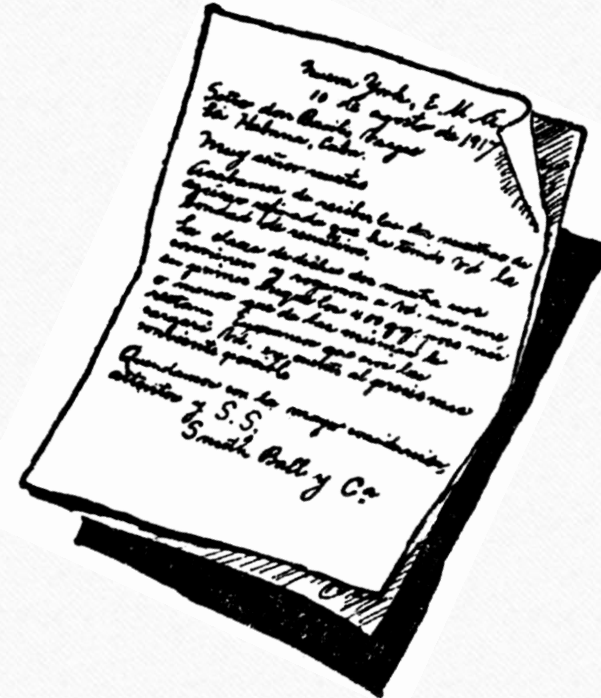
- Downloads the information from CPS
- Determines if additional information is needed

Student

- Applies by completing an application
- Free Application for Federal Student Aid
 - Free
 - Complete every year

Types of Financial Aid

- Scholarships/Grants
- Loans
- Work



Federal Pell Grants

- Largest grant program administered by US Department of Education
- Gift aid – student does not repay
- Given to the neediest student – defined by EFC (17/18 student with EFC below 5,328)
- Portable

Federal Supplemental Educational Opportunity Grant Program (FSEOG)

- Campus-based
- Need-based
- Priority given to Pell grant recipients
- Schools must award FSEOG in the lowest EFC orders
- Award amounts may vary by school (\$100 - \$4,000), depending on availability

Federal Work-Study

- Campus-based program
- Provides employment to students – on-campus or off-campus
- Earnings are meant to help meet educational costs
- Federal government provides a matching portion
- Benefits over another non-work-study job
- Must meet all employment federal, state and local laws

Federal Loans

Direct Subsidized

- Need-based
- Must be enrolled at least $\frac{1}{2}$ time
- Must complete Entrance Counseling and MPN
- Must have been reviewed for Federal Pell grant eligibility
- Repayment benefits
- Annual and aggregate limits

Federal Loans

Direct Unsubsidized

- Non-need-based
- Loan may not exceed COA
- Must be enrolled at least $\frac{1}{2}$ time
- Must complete Entrance Counseling and MPN
- Must have been reviewed for Federal Pell grant eligibility
- Annual and aggregate limits

Annual Borrowing Limits

Year	Dependent Student	Independent Student
Freshman (0-29 undergraduate credits)	\$5,500 (\$3,500 subsidized max)	\$9,500 (\$3,500 subsidized max)
Sophomore (30-59 undergraduate credits)	\$6,500 (\$4,500 subsidized max)	\$10,500 (\$4,500 subsidized max)
Junior and Senior (60 or more undergraduate credits)	\$7,500 (\$5,500 subsidized max)	\$12,500 (\$5,500 subsidized max)
Graduate Student		\$20,500 (unsubsidized only)

Lifetime Borrowing Limits

Student Type	Lifetime Borrowing Limit
Dependent Undergraduate Student	\$31,000 (\$23,000 maximum in subsidized loans)
Independent Undergraduate Student	\$57,500 (\$23,000 maximum in subsidized loans)
Graduate Student	\$138,500 (\$65,500 maximum in subsidized loans)

Federal Loans PLUS

- Parent of UG or Graduate/professional students
- May be used to replace EFC
- FAFSA required
- Credit worthiness

Examples of Other Funding Sources

- Military
- AmeriCorps Programs
- Vocational Rehabilitation
- Institutional
- Community
- Employer

Resources for Financial Aid Professionals

- IFAP (www.ifap.ed.gov)
- NSLDS (www.nslsdfap.ed.gov)
- NASFAA (www.nasfaa.org)
- NHASFAA (www.nhasfaa.org)
- College Board (www.collegeboard.org)

