



Paying for College

About Financial Aid

A four-year college education now costs anywhere between \$40,000 and \$200,000, depending on whether you attend a public or a private institution. While some families can afford these expenses, many must rely on financial aid to help pay the bills. If your parents have not brought up the subject of paying for college, you should do so at the earliest opportunity, since, if you do apply for financial aid you will be bearing a significant portion of the expense in the form of loans at most schools. What follows is general information on the types of aid available, the process of applying and completing forms, and understanding financial aid awards. More information is available at the following websites:

WWW.FAFSA.ED.GOV
 WWW.COLLEGEBOARD.COM
 WWW.FINAID.ORG
 WWW.COLLEGE-SCHOLARSHIPS.COM
 WWW.STUDENTAID.ED.GOV
 WWW.FASTWEB.COM

FINANCIAL AID

Financial aid is "need-based" as opposed to "**merit-based.**" In other words, you receive it because you cannot afford to pay all the expenses yourself. Your academic record usually has nothing to do with eligibility for financial aid, though grades are taken into account at some colleges. Financial aid funds come from the federal government, the college itself, and, in some cases, from state programs. Aid is awarded in a "**package**" comprised of **grants** (which you do not pay back), **student loans**, and **work**, in varying proportions. Loans are often the largest component, and you, the student, must pay these back starting a few months after graduation. The average student on financial aid can expect to graduate with approximately \$20,000 in loan debt, to be paid back over about ten years.

INSTITUTIONAL SCHOLARSHIPS

An institutional scholarship given by colleges, often called a "merit scholarship," is awarded to a student by a college because he or she meets certain predetermined criteria, such as excellent grades, exceptional athletic ability, or artistic talent. Demonstrated financial need

may or may not be a factor. Institutional scholarships are either simply awarded to an applicant, or the student is invited to apply for them. Given by colleges as a means of attracting desirable students, they basically amount to tuition discounts. If colleges do not mention merit scholarships in their literature, ask about them when you visit, speak with representatives when they come to visit BB&N, or call the financial aid office directly. Not every college offers merit scholarships. You can view a list of merit scholarships on Naviance.

CORPORATE SCHOLARSHIPS

Civic groups and municipalities offer scholarships as well. Some schools will deduct it from the loan portion of your package; as often as not, however, it is taken off your grant award. Check Naviance for scholarships.

ATHLETIC SCHOLARSHIPS

A **very** few athletes from BB&N win a “full ride” from a Division I college (occasionally Division II, never Division III, as athletic scholarships are not offered at Division III schools). These awards are given for athletic ability regardless of need. The College Counseling Office and the BB&N athletic department will help you navigate the sometimes confusing process of being recruited.

THE BASICS OF APPLYING FOR FINANCIAL AID

Your parents have certain responsibilities in the financial aid process, and so do you. *It is absolutely vital that everything be done in a timely fashion, strictly according to deadlines.* To drag your feet may very well mean that you will end up without a financial aid package.

At least one, and often as many as three, forms are required to apply for financial aid. In order of frequency, they are the Free Application for Federal Student Aid (**FAFSA**), the College Scholarship Service Financial Aid Profile (**CSS Profile**), and, in many cases, the college’s own **institutional form**. The FAFSA and the CSS Profile are only available online at www.fafsa.ed.gov, and www.collegeboard.com respectively. When submitted online, the FAFSA and the CSS Profile are sent to central agencies to be processed and forwarded to colleges. Families complete only one FAFSA and one CSS Profile. Institutional forms, on the other hand, are requested directly from each college and returned to its financial aid office. *It is your responsibility to obtain institutional forms from the colleges* by phone, letter or online.



THE FAFSA (Free Application for Federal Student Aid):

Required by every college and university. As the name implies, there is no fee connected to the FAFSA, which determines your eligibility for Federal financial aid funds, the backbone of every college financial aid program. It is provided by the U.S. Department of Education.

The FAFSA is available online at: **WWW.FAFSA.ED.GOV**. Both the student and a parent need a personal identification number (PIN) available at the FAFSA site. Note: www.fafsa.com and www.fafsa.net, are the websites of private companies who will try to charge you money to fill out your FREE Application for Federal Student Aid. Avoid these sites!

The FAFSA must be filed between January 1 (not before!) and February 1. *It is your responsibility to log on to the FAFSA website and establish a pin* and share it with your parents, unless they have obtained one online. This will be your ticket to filling out the FAFSA online. You can establish a pin before January 1, but you cannot submit a FAFSA until January 1. It takes at least three days for a pin to be processed and delivered to your email account. If your parents are divorced or own their own business, they must fill out additional forms (see below).

THE CSS PROFILE:

This form is required only by those institutions listed on its registration form. Completing it requires that you register online by going to **WWW.COLLEGEBOARD.COM**. Registration fees may be paid by credit card when you register. The CSS Profile form asks all the financial questions wanted by the colleges to which you are applying. You can save your information as you work, so you don't have to complete it all in one sitting. Make sure you remember your registration information so you can log back into the College Board website to complete the Profile. There is a fee for each college you send the profile to. Colleges requiring the CSS Profile *also* require the FAFSA.

INSTITUTIONAL FORMS:

Some, but not all, colleges use these forms. They usually ask a few specific questions not covered on the FAFSA or the CSS Profile. These are available only from the college and are returned directly to its financial aid office. Again, *obtaining these forms is your responsibility.*

Know your deadlines! They vary from college to college, so read admission and financial aid materials very carefully, and stay on track from the beginning. The main reason families who are eligible for aid do not receive it is because of missed deadlines.

COMPLETING FINANCIAL AID FORMS

1. Assemble the records you will need:
 - Completed income tax forms for the most recent year or, if not yet available, the most up-to-date tax information you have.
 - W-2 Forms and other records of money earned in that year
 - Records of untaxed income such as welfare, social security, AFDC or veterans' benefits
 - Current bank statements
 - Current mortgage information
 - Business (farm) records
 - Records of stocks, bonds, other investments
 - Student's driver's license and social security card
 - Student's alien registration card (if applicable)
2. Use proper names, not nicknames, and make sure the social security number reported matches the one on the student's card.
3. Complete all the required sections of the form.
4. If the instructions tell you to skip a question, leave it blank. If your answer to a question is "none" or "zero," put a zero in the answer space.
5. The FAFSA website will not allow you to submit the form before January 1. Make sure you submit the FAFSA and CSS Profile at least five working days prior to your earliest financial aid deadline. If you do not have the required tax forms in time to complete the FAFSA, estimate your figures as closely as possible for the current year. You will have the opportunity to correct the figures later when you know the exact amounts (See #7 below). Consult the Financial Aid offices at the colleges concerned if you need to consider this option. **Keep a copy of all forms for your records.**
6. The FAFSA allows you to list only six colleges. If you are applying to more than six, first list the schools with the earliest financial aid deadlines, then list those institutions that do not require the Profile. After your application is received by those colleges, you can then go back and submit it to the rest of your colleges.
7. Within four weeks (at the latest) of receiving your form, you will receive a Student Aid Report (SAR) through the email account you used to register for the FAFSA. The SAR will either request further information, such as tax information from your

completed tax return, or provide you with a figure called the Expected Family Contribution (EFC). Once you have received a final SAR, you can log in to look at the information, make corrections to it, and print a copy for your records. The information is automatically sent to the six colleges you listed when you filled out the FAFSA online.

8. For questions regarding problems or difficulties using FAFSA on the Web, or specific questions about the FAFSA, call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243) or 1-319-337-5665. If you do not get a SAR in four weeks, it is wise to call and check on your application.

EARLY DECISION AND EARLY ACTION APPLICANTS

Some colleges are reputed to save financial aid dollars by “under-funding” Early Decision applicants, on the theory that if they want to attend badly enough to apply ED, they will find the extra money. While it is true that an Early Decision applicant will not have the opportunity to compare financial aid offers from different institutions, we have found that usually these students receive adequate packages. Many selective colleges, including the Ivy League, have gone on record to say that early applicants receive that same treatment from the financial aid office as anyone else. It is important, however, to ask about ED financial aid policies if you will be applying for aid. If you do not get a straight answer, we will be happy to call the college.

DIVORCED/SEPARATED PARENTS

In the case of divorce or separation, the non-custodial parent is usually asked to file a supplementary form in addition to the FAFSA. Since colleges view financing a college education as a family affair, both parents need to provide as complete a financial picture as possible. **A parent who refuses to file the supplementary form may well jeopardize his or her child’s chances for financial aid.** Financial aid officers do have some leeway in difficult situations, however, and may use professional judgment in making awards. The college counselors will be happy to discuss individual circumstances, and may be able to intercede with colleges if appropriate.

UNDERSTANDING FINANCIAL AID AWARDS

Financial aid letters may accompany letters of acceptance; often they are sent separately. When letters are sent early in the year, some colleges may not specify the exact amount of state and federal aid they are offering you, but rather an estimated award. You will receive exact figures in a later letter. Here are suggestions on how to read and respond to a financial aid letter:

- Look at the combination of awards in the “package.” As we have mentioned, it will consist of two types of aid: “gift aid” (such as *grants* that do not have to be repaid), and “self-help” (usually a combination of *work* and *student loans*).
- In comparing your different packages, pay attention to two things: your *net cost* to attend each institution after financial aid, and the *proportion of grants to loans*. Do not be dazzled by the total amount of money a college offers you; focus on how much you will have to pay out of pocket, both as tuition expenses during your college years and as loan payments afterwards.
- Look for special conditions or requirements attached to your awards. For instance, some institutions require financial aid recipients to maintain a certain grade-point average in order to continue receiving merit awards.
- Be aware that most need-based awards involve federal money for both grants and loans. Financial aid administrators must adhere closely to Government guidelines in awarding federal dollars, and few colleges have enough to meet every applicant’s full need. Even though your need is entirely legitimate, colleges may, for various reasons, award larger packages to other students.
- If you have questions about your financial aid award, or if your family believes that it does not meet your needs, call the college’s financial aid office. Be polite; do not panic or become angry. You will find that most financial aid officers are very helpful. Review any circumstances you think may have been overlooked, and be prepared to offer concrete information if you want them to review your award. The college may be able to adjust your package based on new information, or they may match an offer from another college. Not all colleges will negotiate financial aid awards, however; each institution has different priorities and policies.
- If you are considering more than one college, wait to receive a financial aid letter from each school before making a final decision. While every college will ask you to accept or decline their offer of aid by a specific deadline, they will usually extend the deadline upon your request if you are still waiting to hear from other institutions.
- Once you make a final decision, do not miss the reply deadline; if you do, your money could go to someone else! Follow very carefully the instructions in your award letter, which may ask you to provide more information or to select a lender for a student or parent loan. Complete and sign the necessary forms and send them in. Be sure to notify the other colleges that accepted you that you will not be attending. This important courtesy will allow the institutions to re-allocate your funds to someone else.