

FINANCIAL AID

Lesson Descriptions

NOTE: YOU MAY CHOOSE TO TEACH THESE LESSONS ON DATES CORRESPONDING TO FINANCIAL AID DEADLINES. SEE PAGE 269 AND YOUR SCHOOL COUNSELOR FOR DETAILS.

Financial Aid 1: Financial Aid Overview

What types of financial aid are available to me, and what are the advantages and disadvantages of each?

NOTE: This lesson requires coordination with your school counselor.

Financial Aid 2: Searching for Scholarships I

How can I find scholarships that suit my situation?

NOTE: This lesson requires coordination with your school counselor.

Financial Aid 3: Searching for Scholarships II

How can I find scholarships that suit my situation, and how do I keep track of my efforts?

Financial Aid 4: FAFSA I

How do I prepare to complete the FAFSA?

NOTE: This lesson requires coordination with your school counselor.

Financial Aid 5: FAFSA II

How do I complete the FAFSA?

NOTE: This lesson recommends coordination with your school counselor.

Financial Aid 6: Comparing Financial Aid Awards

How do I compare financial award packages and decide which to accept?

PLANNING PYRAMID

GRADE 12, Unit 4, Financial Aid



Some Students Will:

- Obtain parent financial information via the FAFSA on the Web worksheet.
- Contact college financial aid offices to appeal awards packages.



Most Students Will:

- Conduct independent scholarship research.
- Complete the student portion of the FAFSA Online.
- Know where to go for additional FAFSA help.
- Understand and use state and local resources for financial aid.
- Be able to use an online student loan calculator to determine monthly payments after graduation.
- Compare two or more college financial aid packages, and consider which schools are affordable.
- Have a back-up plan if financial aid doesn't make first-choice schools affordable.



All Students Will:

- Understand that financial aid is available for most postsecondary education options.
- Identify the major types of financial aid, and the benefits and drawbacks of each.
- Understand when and why to use a student loan, and the consequences of default.
- Investigate the merits of designated scholarship search websites.
- Understand the purpose of the FAFSA (and the CSS Profile).

ROADS to SUCCESS

Grade 12

Financial Aid

Family Newsletter

Roads to Success is a new program designed to help middle and high school students prepare for their futures. This newsletter will keep you posted on what we're doing in school, and how families can follow through at home.

For more information about Roads to Success, please visit our website: www.roadstosuccess.org.

Did you know? If a financial aid offer seems too good to be true, it probably is. Beware of "special offers" or companies that require you to pay for information about scholarships. Financial aid is available for free, and your student can show you where to find it.

FAFSA Facts for Parents

What is the FAFSA?

The FAFSA is the Free Application for Federal Student Aid. This application is used by the government and colleges to determine how much financial aid your student is eligible for. It's the first step in the financial aid process.

Who must apply?

The FAFSA requires financial information from the student and the parent(s) he lives with. You need to complete the FAFSA even if you are not planning on helping your child pay for college. (Providing your financial information is not a promise to pay for your child's education.)

Who is considered a parent?

The parent(s) the student lives with, including biological parents, adoptive parents, or a step-parent who is married

to the student's parent. See the FAFSA website for rules about parents who are divorced or share custody.



Is there anyone who should not apply?

All students who are legal U.S. residents should complete the FAFSA. Undocumented students may not apply for federal aid, and should talk to their school counselor about other options.

When are applications due?

Students are advised to apply during their senior year of high school, as soon after January 1 as possible. Students must re-apply each year they're in school.

What information do I need?

- Social Security Number
- Your driver's license number if you have one
- Your Alien Registration Number if you are not a U.S. citizen
- Federal tax information or tax returns
- Information on savings, investments, and business and farm assets

How do I get started?

The FAFSA application can be found at www.fafsa.ed.gov.

If you have questions, talk to your school counselor, or go to <http://studentaid.ed.gov/> for more information. You can also call 1-800-4-FED-AID (1-800-433-3243) for answers to specific questions.

Grade by Grade

In Grade 12, Roads to Success explains the financial aid process in three parts.

- In the fall, students get general information and search for scholarships online.
- In early January, students begin their FAFSA applications in class. (You can help by gathering your financial information and following through at home.)
- In early spring, students learn to compare financial aid offers from different colleges, and make the choice that's right for them.

Financial Aid Overview

The **BIG** Idea

- What types of financial aid are available to me, and what are the advantages and disadvantages of each?

AGENDA

Approx. 45 minutes

- I. Warm Up (10 minutes)
- II. Financial Aid Overview (10 minutes)
- III. Consider the Possibilities (20 minutes)
- IV. Wrap Up: Deadlines (5 minutes)

MATERIALS

STUDENT HANDBOOK PAGES:

- Student Handbook page 85, Help Me Pay for College!
- Student Handbook page 86, Financial Aid Research Sheet
- Student Handbook page 87, The Road to Financial Aid

FACILITATOR PAGES:

- Facilitator Resource 1, Financial Aid Overview
- Facilitator Resource 2, State Higher Education Agencies
- Facilitator Resource 3, Financial Aid Options
- Facilitator Resource 4, Financial Aid Research Sheet SAMPLE
- Facilitator Resource 5, Financial Aid From Best to Worst (one copy per student)

Overhead projector (or LCD projector and laptop)

Post-It notes

Butcher paper or chart paper

Markers

OBJECTIVES

During this lesson, the student(s) will:

- Recognize that options exist to make college financially within reach.
- Understand the relative merits of various types of financial aid.
- Understand the role of the FAFSA (and CSS Profile) in determining financial aid.
- Identify next steps in the financial aid process, including deadlines for applying.

OVERVIEW

In this lesson, students review four types of financial aid — grants, scholarships, work-study, and loans — and receive information about how financial need is determined. Next, students research specific financial aid options offered through the federal and state government, as well as private institutions. As a class, they order financial aid options from most to least desirable, and defend their choices. Finally, they receive a handout that highlights important terms and resources, including deadlines.

PREPARATION

- List the day's **BIG IDEA** and activities on the board. List financial aid topics on the board. (See **Activity II, Financial Aid Overview** Item 4.)
- List the day's vocabulary words on the board.
- Make transparencies of **Facilitator Resource 1, Financial Aid Overview**, or create a PowerPoint using these pages.
- The following handouts need to be made into overhead transparencies or added to your laptop for display via LCD projector:
 - **Student Handbook page 85, Help Me Pay for College!**
 - **Student Handbook page 86, Financial Aid Research Sheet**
 - **Student Handbook page 87, The Road to Financial Aid**
- Meet with your school counselor prior to facilitating the lessons in this unit. S/he will be a valuable source of information concerning local scholarships as well as state financial aid programs and deadlines, and may be interested in co-facilitating some of the financial aid lessons.
- Update **Facilitator Resource 3, Financial Aid Information**, and make a packet for each student containing all four pages, as follows:
 - Go to <http://studentaid.ed.gov/resources> to view a copy of **Funding Education: The Guide to Federal Student Aid**. Use this guide to update the federal information on the first and second pages. Review the information in this guide, which will help you answer your students' questions about financial aid.
 - Use **Facilitator Resource 2, State Higher Education Agencies**, to locate financial aid information specific to your state. Create a page of state-specific financial

aid information to replace or update the information found on the third page of **Facilitator Resource 3, Financial Aid Information**. Other financial aid info found on the fourth page.

- Predetermine how you will assign topics in **Activity III**.
- For **Activity IV, Deadlines**, investigate your state’s deadlines for the FAFSA and state financial aid programs, which you’ll need for **Student Handbook page 87, The Road to Financial Aid**.
 - Consult www.fafsa.ed.gov for FAFSA deadlines, which vary by state.
 - Consult your school counselor or the appropriate State Higher Education Agency (**Facilitator Resource 2**) for other deadlines.
- Place chart paper or butcher paper lengthwise across the board. Write “Financial Aid” across the top, and “Most Desirable” or “Best” on the left-hand edge and “Least Desirable” or “Worst” on the right-hand edge. (Students will place their Post-It notes here in **Activity III**.)

VOCABULARY

College Scholarship Service (CSS) Profile: Form frequently used by private schools to determine eligibility for financial aid.

Expected Family Contribution (EFC): An estimate of how much a student and his/her family can afford to pay for college for the next school year, determined by completing the FAFSA.

Financial Need: The amount of financial aid a student is eligible for, calculated by subtracting Expected Family Contribution from Total Cost of Attendance.

Free Application for Federal Student Aid (FAFSA): Form used to determine eligibility for federal financial aid (and often aid from state governments and individual colleges).

Grant: Also called gift aid, financial aid that doesn’t have to be repaid. Comes from federal and state governments and from individual colleges, usually based on financial need.

Loan: Financial aid that must be repaid.

Scholarship: Financial aid distributed according to requirements set by the provider, like excellence in academics or sports.

Total Cost of Attendance: All expenses for college, including tuition and fees, books and supplies, room and board, personal expenses, and transportation.

Work-Study: A federal program that provides students with part-time employment, usually on campus, to help meet their financial needs.

IMPLEMENTATION OPTIONS

Activities I and II: You may prefer to present a less formal overview of financial aid by listing what students already know about each category, then using **Facilitator Resource 1, Financial Aid Overview**, as a reference to fill in any gaps in their knowledge.

Activity III: If you think your students will have difficulty completing **Student Handbook page 86, Financial Aid Research Sheet**, model its completion using **Facilitator Resource 4, Financial Aid Research Sheet SAMPLE**, as a guide.

If you find **Activity II** and/or **Activity III** take(s) more than the allotted time, or if you feel your students will be overwhelmed by the amount of information in **Facilitator Resource 3, Financial Aid Options**, you may prefer to defer this activity to next week, or send this info home as a handout.

ACTIVITY STEPS

I. Warm Up (10 minutes)

1. [As students enter, ask them to complete **Student Handbook page 85, Help Me Pay for College!** Give them five minutes to complete the activity.]
2. [Place a transparency of **Student Handbook page 85, Help Me Pay for College!** on the overhead projector. Have volunteers list types of student aid and their characteristics, and use the chart to record what they already know. Designate any disputed information with a question mark and revisit it in **Activity II, Item 3.**]

II. Financial Aid Overview (10 minutes)

1. **SAY SOMETHING LIKE:** For the next three weeks, we'll be discussing financial aid—money available to help you pay for college. It would be great if there were one single source of financial aid – a warm, fuzzy blanket that wrapped up all of your college expenses. In fact, financial aid is more like a patchwork quilt – one piece from here, another from there. The good news is, you can still be completely covered. You just have to be aware of the steps needed to collect all the pieces. Today we'll take a look at an overview of the process.
2. [Display **Facilitator Resource 1, Financial Aid Overview**, as a PowerPoint or series of overhead transparencies, including the following information with each slide:
 - **What does financial aid offer?**
Note that you can get financial aid for all kinds of postsecondary education. If you're planning on attending a one- or two-year program, one of your first questions should be whether it is eligible for federal and state aid.
 - **What are the basic concepts of financial aid?**
(These terms will be defined in the slides that follow.)
 - **What's included in the Cost of Attendance?**
All college expenses, including shampoo and pizza (personal expenses) and bus or plane fare to and from school (transportation).

[Explain tuition and room and board if students aren't clear about these terms.]

- **What is the Expected Family Contribution (EFC)?**
Programs that offer needs-based financial aid consider what families can afford to pay. That way, money goes to students who need it most.

- **What is Financial Need?**

This equation determines how much financial aid a student is eligible for.

- **Examples:**

In the examples, you'll see that the price of college varies. But the amount that your family is expected to contribute stays the same. Your financial need is greater at expensive schools. These schools often work with students to meet this need.

- **What are the major types of financial aid?**

- **What are the main sources of financial aid?**

- **How do students apply for financial aid?**

Colleges use two different forms to collect information on family finances.

1. The FAFSA is the Free Application for Federal Student Aid. Important details:

- The FAFSA is the key to federal, state, and school aid.
- Financial info from you and your parent(s) is required.
- This form is available online, and it's free.
- You may complete the FAFSA after January 1, not before. (We'll work on the online version later in the year.)

2. The CSS Profile is used by many private schools like Harvard or (name a school in your area).

- **What financial aid info will students need from schools?**

Check with the financial aid office at each school to see what forms are required. (A lot of this information will be available on college websites.)

- **How can students find scholarships?**

Students can begin applying for scholarships now. We'll discuss the details next week.

3. [Take a moment to clarify any misconceptions identified during the **Warm Up Activity**.]

4. [List these items on the board, and refer to them during the following discussion.]

Topics We'll Cover

- Kinds of aid
- How to apply, and when
- Scholarship search
- Loan info
- The paperwork (FAFSA and CSS Profile)
- Avoiding scams
- Comparing financial aid awards]

SAY SOMETHING LIKE: We're going to approach the financial aid process in small chunks. We'll do an overview this week, and look at scholarship information in the two lessons after that. In January, we'll talk about how to complete the Free Application for Federal Student Aid (FAFSA), and walk through the online version together. In the spring, you'll learn how to compare financial aid award letters, so you'll be ready when you receive yours from colleges where you've been accepted. [NOTE: If you prefer to teach these lessons consecutively, let students know the plan.]

As always, you should pay close attention even if you have no immediate plans to attend college. Financial aid is available for most education options, including tech and trade schools. And this information will be useful if you decide to attend college at a later date.

III. Consider the Possibilities (20 minutes)

1. **SAY SOMETHING LIKE:** Next, I'd like you to look at the financial aid programs that are available to students in our state. Here's a list of the many possibilities.
2. [Distribute copies of **Facilitator Resource 5, Financial Aid Options**, and let students know these are theirs to keep, so it's OK to underline and take notes. Assign a topic to each individual or group of students.]

SAY SOMETHING LIKE: Each of you will read about one type of aid listed in the left-hand column, and then present your research to the group. Please turn to **Student Handbook page 86, Financial Aid Research Sheet**, for a list of questions I'd like you to answer.

You'll have 10 minutes to complete your research. When you've finished, please put the name of your type of aid on a Post-it note, and place it on the approximate place on the chart where you think it belongs. The most desirable (best) kinds of aid should be on the far left, and the least desirable (worst) on the far right. Then we'll discuss your findings as a class.

3. [When students have completed their research, ask individuals or teams to justify their choices, explaining the advantages and disadvantages of each type of aid. See **Facilitator Resource 5, Financial Aid from Best to Worst** for guidelines re: grouping.]

IV. Wrap Up: Deadlines (5 minutes)

1. **SAY SOMETHING LIKE:** Fortunately, most of these types of aid can be obtained by completing only one form. Who remembers the name of this form? (*the FAFSA*) When do you complete it? (*after January 1*)
2. [Have students turn to **Student Handbook page 87, The Road to Financial Aid**, and provide them with the deadlines they need to complete the form: the FAFSA, the CSS Profile, and state aid. If a separate application is required for state aid, let students know how to apply. Encourage students to take this page with them for easy reference.]
3. **SAY SOMETHING LIKE:** If you've not talked to your parents about paying for college, now's a good time to start. Whether or not they're planning on helping you pay for college, you'll need financial information from them when you apply for aid. You'll want to share this week's Family Newsletter with them, as it's full of useful information about the FAFSA and a few cautions about scholarship scams.

Next week, we'll talk about financial aid that you can apply for right now — scholarships. I'll see you then.



What Does Financial Aid Offer?

Access to funds to help pay for:

- Four-year public and private colleges
- Community colleges
- Private career colleges

Choice among schools

The best academic, cultural, and social fit rather than the least expensive program

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

What are the Basic Concepts of Financial Aid?

- *Student* **Cost of Attendance**
- *Parent and Student*
Expected Family Contribution
- *Student* **Financial Need**

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

What's Included in the Cost of Attendance?

- Tuition & Fees
- Books & Supplies
- Room & Board
- Personal Expenses
- Transportation

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

What is the **Expected Family Contribution?**

The Expected Family Contribution (EFC) is the amount a family (parents and student) is expected to pay from income and assets.

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

What is **Financial Need**?

$$\begin{array}{r} \text{Total Cost of Attendance} \\ - \text{Expected Family Contribution} \\ \hline \text{Financial Need*} \end{array}$$

*Financial need is the student's financial aid eligibility.

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

Examples:

	Community	State (Public)	Private
Cost	\$ 4,000	\$ 11,000	\$ 35,000
EFC	– 500	– 500	– 500
Need	\$ 3,500	\$ 10,500	\$ 34,500

In the best of all possible worlds, full “need” will be met with a financial aid package made up of grants and scholarships along with reasonable amounts of work-study and student loans. Some schools are not able to meet full need.

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

What are the Major Types of Financial Aid?

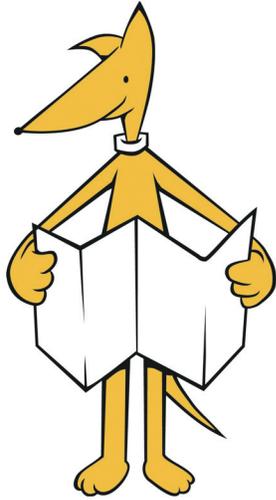
- **Gift Aid** — Grants or scholarships that do not need to be repaid.
- **Work** — Money earned by the student as payment for a job on or off campus (aka Work-Study).
- **Loans** — Borrowed money to be paid back with interest.

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

What are the Main Sources of Financial Aid?

- Federal government
- State governments
- Colleges and universities
- Private agencies and organizations

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org



How Do Students Apply for Financial Aid?

- Federal, state,
and school aid:

FAFSA:

www.fafsa.ed.gov

- Some schools:
CSS Profile

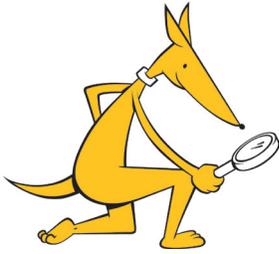
www.collegeboard.com

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

What Financial Aid Info Will Students Need from Schools?

- FAFSA only or both FAFSA + CSS Profile?
- School-specific form?
- Deadlines?

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org



How Can Students Find Scholarships?

- Available from colleges, companies, community-based groups, and other organizations
- Usually require separate applications
- May require transcript, essay, interview, or audition
- Check with your high school about scholarship opportunities
- Use free scholarship searches

ADAPTED FROM: The Fulfillment Fund, www.fulfillment.org

State Higher Education Agencies

Find a list of the agencies responsible for administering state financial aid programs for each state and U.S. territory at http://wdcrobcolp01.ed.gov/Programs/EROD/org_list.cfm?category_ID=SHE.. You should encourage students to apply for any available state aid as well as federal aid and private scholarships.

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Financial Aid Options: Federal

All information is for undergraduate students, and was compiled in the fall of 2012. For updates, visit studentaid.ed.gov

PROGRAM	TYPE OF AID	NOTES	AMOUNT
Pell Grant	Grant, does not have to be repaid	Based on financial need. Foundation of federal student financial aid, other aid is added to this. May be awarded to part-time students.	Can change yearly. Up to \$5,550 in 2011-2012.
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grant, does not have to be repaid	Awarded to students with lowest Expected Family Contribution. May be awarded to part-time students. School Financial Aid Office determines amount. Depends on amount of other aid you get and availability of funds at your school. Not all schools participate. Apply early to get aid before all funds have been disbursed (distributed).	From \$100 to \$4,000 a year.
Teacher Education Assistance for College and Higher Education (TEACH) Grant	Grant, does not have to be repaid unless you fail to carry out the service obligation.	For students completing (or planning to complete) course work in teaching. To receive the grant, student must sign an Agreement to Serve as a full-time teacher in certain low-income schools in high-needs fields for at least four academic years (within eight years of completing (or ceasing enrollment in) the course of study for which the grant was received. Must submit evidence of employment to meet this requirement. <u>Recipients who fail to comply with these terms must repay the grant, with interest from the date of disbursement.</u> More information can be found here: http://studentaid.ed.gov/types/grants-scholarships/teach	Up to \$4,000 a year for four years.
Federal Work-Study	Money earned while attending school. Does not have to be repaid	Provides part-time employment while you are enrolled in school. Is available to full- or part-time students. Work may be on-campus or off-campus in the public interest. If you attend a for-profit school, there may be restrictions on the types of jobs you can hold. School must be a participant in the Federal Work Study program.	At least the current federal minimum wage for work performed.

PROGRAM	TYPE OF AID	NOTES	AMOUNT
Federal Perkins Loan	Loan, must be repaid.	Based on financial need. Available to full- or part-time students. Repaid to school. Up to 10 years to repay, depending on amount owed. Amount depends on need, amount of other aid, and availability of funds from school. 5% interest.	Up to \$5,500 per year.
William D. Ford Direct Loans Direct Subsidized Loans	Loan, must be repaid.	Based on financial need. Must be at least a half-time student. The U.S. Department of Education is the lender and pays interest while you're in school. 10 – 25 years to pay, depending on amount and repayment plan. Interest rate is 6.8% with interest.	\$3,500 to \$5,500 depending on year in school.
William D. Ford Direct Loans Direct Unsubsidized Loans	Loan, must be repaid with interest.	Financial need is not a requirement. Borrower is responsible for paying all interest. Ten to 25 years to pay, depending on amount and repayment plan. Interest rate is 6.8%. Lender is U.S. Dept of Ed	\$5,500 to \$20,500 (less any subsidized amount received for the same period), depending on year in school and dependency status.
PLUS Loan	Loan, must be repaid.	Loans for parents to help pay the cost of education for dependent students. Must be at least a half-time student. Parents must have good credit. Borrower is responsible for paying all interest. Lender is U.S. Dept of Ed. Interest rate is 7.9%.	Cannot be more than cost of attendance less other student aid.

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Financial Aid Options (Other)

PROGRAM	TYPE OF AID	NOTES	AMOUNT
Scholarships	Scholarship, does not need to be repaid.	<p>Scholarships can be given by colleges to attract students with particular talents or interests (for example, athletic or academic achievement). They can be given by corporations as a gesture of community support or to encourage students to enter a particular field. They may be given by an organization (for example, a company, trade union, church, or synagogue) to help children of its members. Military scholarships are awarded in exchange for service.</p> <p>High schools or chambers of commerce may know of scholarships offered to local students.</p> <p>You must apply separately for different scholarships, and it's easy to get overwhelmed by too much information. Use a search engine or use the Scholarship Finder in RUReadyND.com to find scholarships that match your talents and interests, and don't forget to ask your school counselor about local options.</p>	Range from \$50 to \$20,000+.
Institutional Aid	Scholarship or grant. Does not need to be repaid.	<p>May be offered by colleges and universities when federal and state financial aid fail to meet all of a students' financial need.</p> <p>Decision is made by the school. This type of aid is most likely to come from private colleges and universities with money for this purpose. Institutional aid can make very expensive schools affordable.</p>	Range.
Private (Alternative) Loan	Loan, must be repaid.	<p>Private (alternative) college loans are made by banks, and are similar to car loans and mortgages. Bank loans have higher interest rates than government loans, and repayment begins immediately. Always compare interest rates, and be cautious about loans offered to you by "special invitation" or found by clicking on a link to the website of a non-government lender.</p>	Range.

Financial Aid Research Sheet SAMPLE

Financial Aid Program William D. Ford Direct Loans

What type of aid is this? (Grant, loan, work-study)	Loan
Who provides the aid? (U.S. government, state, etc.)	The U.S. Dept of Ed William D. Ford Direct Loans
What are the eligibility criteria? (briefly)	Financial need, must be at least a half-time student
What institution determines whether a student receives it, regardless of eligibility?	Not sure.
What is the maximum amount?	\$3,500 - \$5,500, depending on year in school
If it's a loan, what is the interest rate?	6.8%
What are its advantages?	Dept of Ed pays interest while you're in school Can take 10 - 25 years to pay back
What are its disadvantages?	Based on need, so higher income students may be ineligible Have to pay back
Other useful information	

SOURCE: Funding Your Education: <http://studentaid.ed.gov/sites/default/files/2012-13-funding-your-education.pdf>

Financial Aid From Best to Worst

NOTE: State aid programs are not included on this list due to variations from state to state.

BEST OPTIONS:

Free money, scholarships, and grants

Students may rank in different order based on perceptions of restrictiveness.

- Pell Grant — great to get, triggers the availability of others.
- FSEOG — amount depends on funds available at your school. Apply early while money's available!
- TEACH — requires four years of teaching in low-income areas in high-needs fields, or must be paid back as a loan, with interest from date of disbursement.
- Scholarships — require a match between talents and personal characteristics and those the provider is looking for. Doesn't require financial need.

MEDIUM OPTION:

Work-Study

- A part-time job, good for expenses. Not good for up-front costs like tuition and room and board because it's paid throughout the year, via a paycheck as student completes the work.

WORST OPTIONS:

Loans

- Big drawback is they need to be paid back, whether or not you graduate or find employment in your field.
- Loans are listed in their order of desirability on the second page of Financial Aid Options, based on interest rate and repayment options.
- Private (alternative) loans are the worst option of all, the loans of last resort due to high interest rates. (Only credit cards are worse.)

Help Me Pay For College!

In the left-hand column, list each of the four types of financial aid. In the right-hand column, list at least one characteristic (pro or con) of each.

An example has been provided. Please list a second characteristic of a scholarship.

Type of Aid	Characteristic(s) of this Type of Aid
Scholarship	Doesn't have to be repaid.

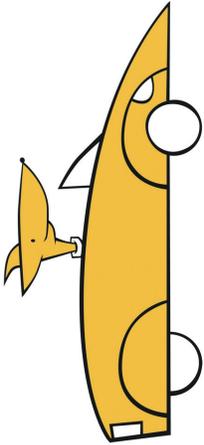
Financial Aid Research Sheet

Financial Aid Program _____

What type of aid is this? (Grant, loan, work-study)	
Who provides the aid? (U.S. government, state, etc.)	
What are the eligibility criteria? (briefly)	
What institution determines whether a student receives it, regardless of eligibility?	
What is the maximum amount?	
If it's a loan, what is the interest rate?	
What are its advantages?	
What are its disadvantages?	
Other useful information	

SOURCE: Funding Your Education: <http://studentaid.ed.gov/sites/default/files/2012-13-funding-your-education.pdf>

The Road to Financial Aid



Free Money!!!

Grants

Scholarships

- www.fastweb.com
- www.scholarships.com
- www.scholarshipexperts.com
- www.collegeboard.com
- www.uncf.org
- www.latincollegedollars.org

Work Study

Part-time jobs arranged as part of your financial aid.

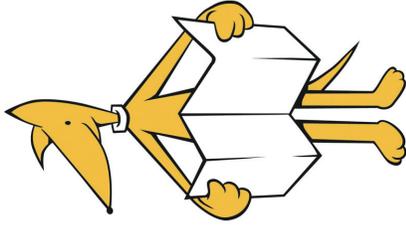
Timeline

First day to fill out FAFSA
January 1, _____

State FAFSA deadline

State aid deadline

Other deadlines:



Financial Aid Equation

Cost of Attendance – EFC = Financial Need

Forms

FAFSA: Form to receive aid from federal & state governments, as well as public colleges & universities. You must be a citizen or legal resident to use this form.
www.fafsa.ed.gov

CSS Profile: Form to receive aid from private colleges and universities.
<https://profileonline.collegeboard.org/prf/index.jsp>

State Aid:

Help

Financial Aid Info

<http://studentaid.ed.gov/sites/default/files/2012-13-funding-your-education.pdf>

www.finaid.com

Loans from Least to

Most Expensive

Perkins: Best federal loan with lowest interest rate & flexible repayment options. Opportunities for cancellation after graduation if you work in law enforcement, nursing, teaching, or some non-profits.

William D. Ford Subsidized:

Reasonable interest rate, don't owe interest while you're in school, flexible repayment.

William D. Ford Unsubsidized:

Reasonable interest rate, you pay interest while in school, flexible repayment.

PLUS: Loan to parents; need good credit. Lower interest rate than bank loans. Repayment starts right away.

Private: Use caution. Higher interest rates than government loans.

Credit Cards: Don't even think about it! Extremely high interest rates, payments due right away.

Terms

EFC: Expected Family Contribution – an estimate of how much money you and your family can afford to pay for your education for the next school year.

SAR: Student Aid Report – summarizes the info you provided on the FAFSA and reports your Expected Family Contribution.

Cost of Attendance – sum of all college expenses, including tuition and fees, room and board, books and supplies, personal expenses, and transportation.

Searching for Scholarships I

The **BIG** Idea

- How can I find scholarships that suit my situation?

AGENDA

Approx. 45 minutes

- I. Warm Up (5 minutes)
- II. Where to Begin, What to Avoid (20 minutes)
- III. Share Info (10 minutes)
- IV. Get Started (10 minutes)

MATERIALS

STUDENT HANDBOOK PAGES:

- Student Handbook page 88, The Seven Commandments of Financial Aid
- Student Handbook page 89, Undergraduate Financial Aid 2011-2012
- Student Handbook pages 90-91, Scholarship Dos and Don'ts
- Student Handbook page 92, Scholarship Website Research
- Student Handbook pages 93-95, Scholarship Website Summaries

FACILITATOR PAGES:

- Facilitator Resource 1, Notes on Scholarship Websites
- List of local scholarships (one copy per student)
- Overhead projector or laptop and LCD projector

OBJECTIVES

During this lesson, the student(s) will:

- Understand how scholarship aid fits into the total financial aid picture.
- Consider the merits of scholarship search websites.
- Complete a profile on one of six scholarship sites.

OVERVIEW

In this lesson, students review basic financial aid concepts and determine how scholarships fit into the big picture. In teams, students review features of scholarship search websites and report on their findings. Finally, each student creates a personal profile on a scholarship search website of interest.

PREPARATION

- List the day's **BIG IDEA** and activities on the board.
- List the day's vocabulary words on the board.
- The following handouts need to be made into overhead transparencies or added to your laptop for display via LCD projector:
 - **Student Handbook page 89, Undergraduate Financial Aid, 2007-2008**
 - **Student Handbook page 92, Scholarship Website Research**
 - **Student Handbook pages 93-95, Scholarship Website Summaries**
- Consider how you will group your students for **Activity II**, Items 4 – 6.
- Obtain a list of local scholarships from your school counselor, and make a copy for each student.
- Arrange for students to use the computer lab.

VOCABULARY

Disburse: To pay out, as from a fund.

Grant: Also called gift aid, financial aid that doesn't have to be repaid. Comes from federal and state governments and from individual colleges, usually based on financial need.

Loan: Financial aid that must be repaid.

Scholarship: Financial aid distributed according to requirements set by the provider, like excellence in academics or sports.

Work-Study: A federal program that provides students with part-time employment, usually on campus, to help meet their financial needs.

IMPLEMENTATION OPTIONS

Lessons 2 and 3 provide class time for investigating scholarships online. If your students require more time for a thorough exploration of financial aid options (for example, the completion of **Activity III** from last week's lesson), or your students are already sophisticated users of scholarship sites, you may wish to adjust the timing of these lessons accordingly.

If your class needs additional time to complete last week's financial aid discussion, feel free to abbreviate or omit the small-group investigation of scholarship websites in **Activity II, Items 4 - 6**. You may also wish to reduce the number of websites investigated, based on your students' needs.

For **Activity IV**, you may wish to specify whether students may continue scholarship research on a site on which they already have an account or whether they must check out a site that's new to them.

ACTIVITY STEPS

I. Warm Up (5 minutes)

1. [Have students turn to **Student Handbook page 88, The Seven Commandments of Financial Aid**. Give them a minute or two to select a “Do” or “Don’t” for each answer.]
2. [When students have finished, quickly go over the answers as a class. Most are obvious (1 and 2 are Don’ts; 3 – 7 are Do’s.), but you’ll want to reinforce the following points:]

SAY SOMETHING LIKE:

- Item 2: There are plenty of resources for locating scholarships for free, so why pay? More importantly, there are lots of scholarship scams where you pay for “help,” and get nothing in return. We’ll talk about how to avoid these in a few minutes.
- Item 3: When you complete the FAFSA, you’ll need to provide info about your parents’ income even if they’re not helping you pay for college.
- Item 6: You’ll want to make sure you’re getting the best deal, which isn’t always obvious. Later in the year, we’ll talk about how to compare financial aid awards.

II. Where to Begin, What to Avoid (20 minutes)

1. **SAY SOMETHING LIKE:** Who remembers the four kinds of financial aid? (*scholarships, grants, work-study, loans*) This week and next, we’ll be covering scholarships — where to find them and how to apply. But first, let’s see how they fit into the big picture. Please turn to **Student Handbook page 89, Undergraduate Financial Aid 2011-2012**. [Display this page via a transparency on the overhead projector or a laptop and LCD projector.] More than 236.7 billion dollars in financial aid was disbursed in that year, and this graph shows what percentage was paid out in each category.
 - What was the largest category of aid? (Federal **loans**, 44%)
 - You’ll see that another 8% was given as tax credits to students and families paying for college.
 - What percentage was paid through the Federal **Work-Study** program? (<1%)
 - If you add all three of these categories together, you get 52%. The remainder was disbursed as **grants**. That’s over 100 billion dollars! What’s so special about this kind of aid? (You don’t have to pay it back.)

The majority of this “gift” aid is based on need, and the amount you receive will be determined when you complete the FAFSA after January 1.

A smaller portion of this free aid is based on who you are and what you're good at. On the chart, it appears as "Private & Employer Grants" – a tiny 5% of the total financial pie. In reality, it's not tiny at all. In 2011-2012, 11 billion dollars were given away in this type of gift aid, also known as **scholarships**.

2. **SAY SOMETHING LIKE:** So how do you get your hands on this money? You'll find suggestions on **Student Handbook pages 90-91, Scholarship Dos and Don'ts**. Please be sure to read through the items under "Don't Be Fooled."

[You may wish to review this page with students if time permits.]

3. **SAY SOMETHING LIKE:** For the remainder of the class, we're going to examine scholarship search websites. On most of these websites, you create an account and provide personal information about yourself. This information leads to a list of scholarships for which you might be eligible – based on everything from your grades to your height – so accuracy is important. (Yes, there really is a scholarship for tall people!)

To make this research easier, each of you will be assigned to a team. You and your teammates will be responsible for reviewing a designated website and reporting your findings to the class. At the end of the class, you'll have a chance to begin – or continue – your scholarship search using one of these websites.

4. [Assign students to teams and direct them to **Student Handbook page 92, Scholarship Website Research**. If needed, display a copy of this page using the overhead projector, or your laptop and an LCD projector, and model what's required.]

SAY SOMETHING LIKE: Each team should choose a recorder to complete this page and a reporter to present this information to the class. You'll find instructions for logging on to each website on **Student Handbook pages 93-95, Scholarship Website Summaries**. You don't need to fill out anything on these pages yet. You'll use them to take notes when your classmates report on each site.

5. [Allow students about 10 minutes to research their assigned websites.]

III. Share Info (10 minutes)

1. [Reconvene the class and allow each group about a minute to report its findings. Instruct students to use **Student Handbook pages 93-95, Scholarship Website Summaries**, to take notes about each website so they can compare sites for further investigation on their own. See **Facilitator Resource 1, Notes on Scholarship Websites**, for details you'll want to include if students don't.]

IV. Get Started (10 minutes)

1. [In the time that remains, each student should choose a scholarship website and create an account, then investigate the scholarship offerings there. Remind students that they should be as accurate as possible in completing their profiles, which will create a list of scholarships best suited to them. Instruct students to record their username and password at the top of **Student Handbook pages 93, Scholarship Website Summaries**, so they can return to their account next week.]
2. [Circulate to answer students' questions and define any unfamiliar vocabulary they encounter.]
3. [Thank the students for their time, and distribute local scholarship information provided by your school counselor. Remind students that they'll have a chance to continue their research next week.]

Notes on Scholarship Websites

RUReadyND.com

Students sign into RUReadyND.com and select **Financial Aid Planning**. In the **Scholarships** section, students will find the Scholarship Finder, which they can use to locate scholarships.

www.fastweb.com

Five minute registration yields a few scholarships. Additional personal info provides a more tailored list. Highly user-friendly. Many scholarship options. E-mail address is required.

<https://bigfuture.collegeboard.org/scholarship-search>

Students complete minimal information for a list of scholarships. More info leads to a more tailored list.

www.latinocollegedollars.org

Two features make this a great site for (but not limited to) undocumented students: 1) No registration required, and 2) an option to select scholarships where citizenship is not required. A user-friendly scroll-down feature allows students to see scholarship summaries at a glance, including eligibility and application requirements, as well as a link to the application.

www.scholarshipexperts.com

Similar to FastWeb, in that students provide personal information in exchange for a customized list of scholarships. Students may click more than one answer in each category, and need to click “Add Choice” to register their results. Registration takes about 20 minutes, so this is not a site for those who are impatient. E-mail address is required.

www.uncf.org (United Negro College Fund)

Students select from a list of scholarship titles, then click to view specifications. Registration (including social security number) is required to access an online application. Students must certify that they meet eligibility requirements in order to view applications. E-mail address is required.

www.scholarships.com

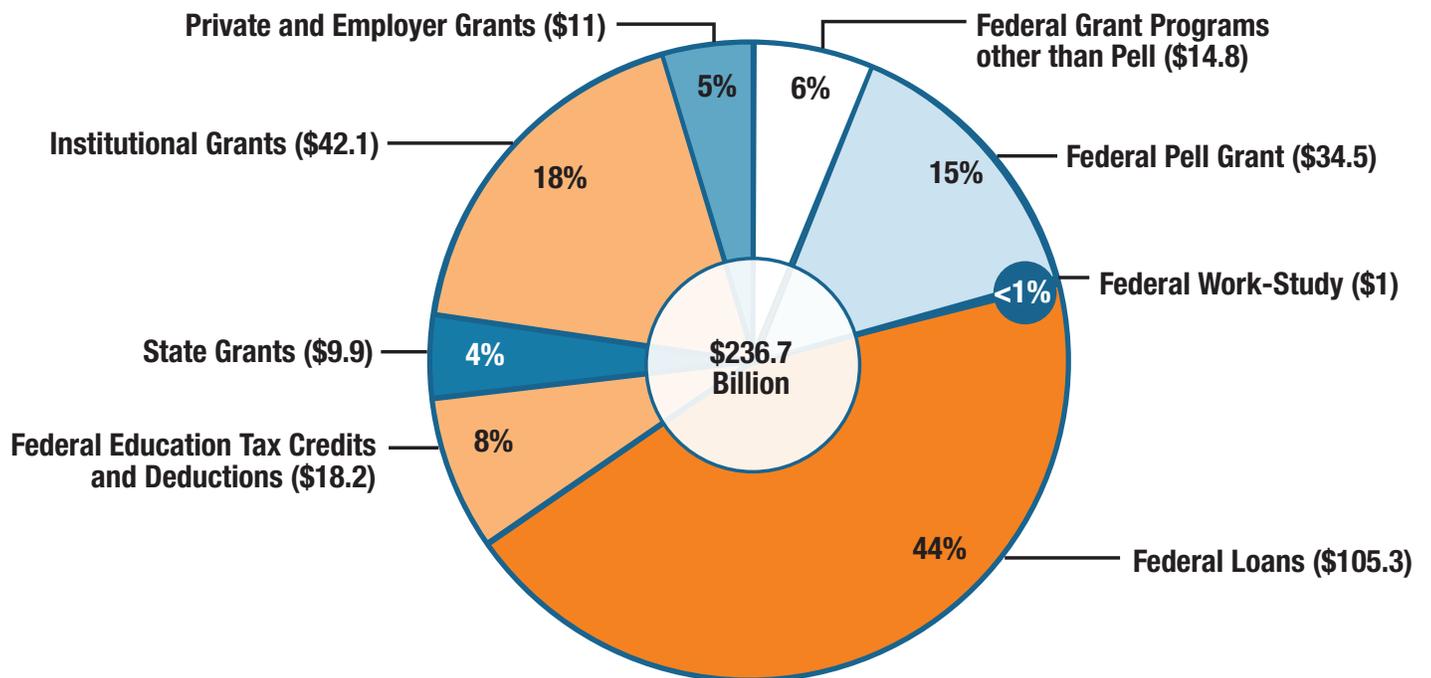
User-friendly 10-minute registration. Warning: ads for Airforce ROTC, Kaplan University, and online degrees are interspersed among scholarship info. List of scholarships doesn’t automatically appear; need to click on “scholarships” after creating profile. E-mail address is required.

The Seven Commandments of Financial Aid

For each commandment below, circle “do” or “don’t” to make the statement correct.

1. **DO/DON'T** limit your search to colleges you can pay for without financial aid.
2. **DO/DON'T** pay an expert to help you find scholarships appropriate for you.
3. **DO/DON'T** involve your parents in the financial aid process, even if they've already told you they can't afford to send you to college.
4. **DO/DON'T** calculate what college loan payments will cost you each month once you've graduated.
5. **DO/DON'T** include items like airfare to far-away schools and local transportation in your calculations of what college will cost.
6. **DO/DON'T** compare financial aid awards from different schools.
7. **DO/DON'T** have a back-up plan in case hoped-for financial aid isn't available.

Undergraduate Financial Aid 2011-2012



Total Aid: \$236.7 Billion

Adapted from: *Trends in Student Aid: Data on Postsecondary Financial Assistance*, The College Board, <http://trends.collegeboard.org/student-aid/figures-tables/total-student-aid-source-billions-2010-11>.

Scholarship Dos and Don'ts

Don't Be Fooled!

If a scholarship offer sounds too good to be true, it probably is. Here are some false claims that could mean you're about to lose money:

- “Thousands of dollars in scholarships go unclaimed each year.”
- “Guaranteed or your money back!”
- “Give me your credit card or bank account number to hold this scholarship.”
- “The scholarship will cost some money.”
- “You’ve been selected . . .”*
- “You’re a finalist in a contest” (that you never entered.)

*You should also be skeptical about “special offers” on college loans. Always compare loan terms with college loans offered by the government.

Smart Strategies:

Financial aid rules require that you report scholarships you receive to the financial aid office of the school you'll attend. (Aid from the school may be reduced by the amount of the scholarship, so be prepared to make the case that this money be subtracted from loans or your family's contribution instead.)

Gather all the materials you'll need. Here are some things you may be asked to submit with scholarship applications:

- One or two essays
- Letter(s) of reference
- Writing sample
- Resume
- Transcripts
- Copy of student aid report
- Parent and student tax returns and W-2 forms
- GPA certification form
- Enrollment verification form
- Copy of financial aid award letter

Check with the college financial aid office about scholarships available through the college.

Check with your high school counselor about local scholarships.

In addition to online databases (like www.fastweb.com and www.collegeboard.com), use scholarship guide books available at your public library or counselor's office.

Prioritize your scholarship applications. Spend your energy on those that are the closest match for your qualifications.

Put deadlines on your calendar. Complete those with early due dates first.

Keep copies of your submitted applications for your records.

Send thank-you notes to let committees know you appreciate their consideration.

SOURCES:

The Fulfillment Fund: www.fulfillment.org

OPTIONS CAPDI of Goddard Riverside Community Center, www.goddard.org

Rutherford, Audrey, "Crash Course in Scholarships," **Next Step Magazine**, 10/18/04

www.latinocollegedollars.org

Scholarship Website Research

Use this page to investigate and rate one of the following free scholarship websites. Circle the website you're investigating.

- RUReadyND.com
- www.fastweb.com
- www.scholarships.com
- www.scholarshipexperts.com
- <https://bigfuture.collegeboard.org/scholarship-search>
- www.uncf.org
- www.latinocollegedollars.org

You will share your recommendations with classmates, so please be as specific as possible about what the site does and doesn't offer, and how easy or difficult it is to use.

REGISTRATION

Is there a registration process? Yes No

How long does it take to register? _____ minutes

Are you required to provide an e-mail address? Yes No

List any info you were surprised to be asked about:

SCHOLARSHIP NOTIFICATION

Does the website send you e-mails about scholarships for which you might qualify?

Yes No

Can you opt out of these e-mail updates if you don't want them? Yes No

SCHOLARSHIP CHARACTERISTICS (Place a check mark beside all that apply.)

This website offers scholarships for the following groups of students:

- Students who are not citizens or legal permanent residents
- Students of specific races or ethnicities
- Students with learning disabilities
- Students with achievements in specific areas
- Students studying particular subjects in college
- Students writing essays on an assigned topic
- Other _____

RATE THIS SITE (Circle one.)

Difficult to use Some annoying stuff OK Pretty good Easy to use

COMMENTS:

Scholarship Website Summaries

Website: www.latinocollegedollars.org

Username: _____
Password: _____

What does it offer?

Advantages:

Disadvantages:

Website: www.uncf.org (United Negro College Fund)

What does it offer?

Advantages:

Disadvantages:



Website: www.scholarshipexperts.com

What does it offer?

Advantages:

Disadvantages:

Website: www.fastweb.com

What does it offer?

Advantages:

Disadvantages:

Website: <https://bigfuture.collegeboard.org/scholarship-search>

What does it offer?

Advantages:

Disadvantages:

Website: www.scholarships.com

What does it offer?

Advantages:

Disadvantages:

Website: RUPrepareND.com

What does it offer?

Advantages:

Disadvantages:

Searching for Scholarships II

The **BIG** Idea

- How can I find scholarships that suit my situation, and how do I keep track of my efforts?

AGENDA

Approx. 45 minutes

- I. Warm Up (5 minutes)
- II. The Truth About Student Loans (10 minutes)
- III. Scholarship Search (20 minutes)
- IV. Next Steps (10 minutes)

MATERIALS

PORTFOLIO PAGES:

- Portfolio pages 6-9, My Scholarships

STUDENT HANDBOOK PAGES:

- Student Handbook page 96, How Much Do You Know About Student Loans?
- Student Handbook page 97, Five Facts About Loans
- Student Handbook page 98, Financial Aid Next Steps

FACILITATOR PAGES:

- Facilitator Resource 1, How Much Do You Know About Student Loans? Answers

OBJECTIVES

During this lesson, the student(s) will:

- Identify reasons why scholarships are superior to student loans, including need to repay loans, amount of monthly payments, and dangers of defaulting.
- Use a scholarship search website to find at least two scholarships for which he/she qualifies.
- Assess chances of receiving each scholarship, and identify next steps to apply.

OVERVIEW

In this lesson, students briefly consider information about student loans via a quiz and follow-up discussion. Next, they independently research scholarship opportunities online, and use a chart to record their findings. Finally, they learn about financial aid activities to be completed between now and the FAFSA (to be filed online in early January.)

PREPARATION

- List the day's **BIG IDEA** and activities on the board.
- List the day's vocabulary words on the board.
- The following handouts need to be made into overhead transparencies or added to your laptop for display via LCD projector:
 - **Student Handbook page 96, How Much Do You Know About Student Loans?**
 - **Student Handbook page 98, Financial Aid Next Steps**
 - **Portfolio pages 6-7, My Scholarships**
- Make extra copies of **Portfolio pages 8-9, My Scholarships** for students who'll need them for further research.
- This lesson requires computers and Internet access for individual research, so you'll need to make arrangements to use the computer lab.
- Familiarize yourself with student loan information found in the following resources:
 - <http://studentaid.ed.gov/resources>
(Repaying Loans)
 - www.finaid.org (Loans)
- Preview these websites so you can introduce them to your students:
 - www.collegeboard.com (For Students, How to Pay, CSS/Profile)
 - www.fafsa.ed.gov
- For **Activity II, Item 3**, you may wish to provide an example of a local entry-level salary, calculate net pay by subtracting 30% for taxes, and dividing by 12 to determine monthly income, so students can gauge the significance of a \$173 payment on a student loan.

VOCABULARY

Default: Fail to make payments on a loan. (The time period which must elapse before a person is considered “in default” is specified in the terms of the loan.)

Deferment: A period of time during which no payments are required. (You may request a deferment due to economic hardship or active military duty. You cannot get a deferment once a loan is in default.)

Discharge: Cancellation of a loan, only happens under specific circumstances like disability or death, or for “qualifying public service,” such as teaching in a low-income area.

Eligibility requirements: Conditions that must be met to be considered for a scholarship.

Forbearance: A period of time during which payments are temporarily reduced or postponed. (This is for a limited and specific period of time by agreement with the lender.)

IMPLEMENTATION OPTIONS

Activity IV: If time permits, you may wish to log on to the following websites, and show students where to find the info they’ll need.

- www.fafsa.ed.gov
- www.collegeboard.com (Information about the CSS/Profile.)

ACTIVITY STEPS

I. Warm Up (5 minutes)

[Have students complete **Student Handbook page 96, How Much Do You Know About Student Loans?** as a Do Now.]

II. The Truth About Student Loans (10 minutes)

1. **SAY SOMETHING LIKE:** Later today, you'll have time to go back to the website you chose last week, and search for scholarship opportunities that are a good match for you. Before you return to that research, I'd like to take a few minutes to give you the low-down on loans. Let's begin by reviewing the answers to **Student Handbook page 96, How Much Do You Know About Student Loans?**

[Display **Student Handbook page 96, How Much Do You Know About Student Loans?** and discuss the answers. Use **Facilitator Resource 1, How Much Do You Know About Student Loans? Answers** as a guide.]

2. [After questions 1 and 2], **SAY SOMETHING LIKE:** How important are student loans to the overall financial aid picture?
 - As you can see, student loans are a significant source of financial aid — both as a percentage of all types of aid and in terms of individual student debt.

What are some advantages of student loans?

- They make college affordable for more people.
- They're an investment in the future – the more education you have, the more you earn. [You may want to compare the monthly payment on a car loan with the monthly payment on a student loan, reminding students that a car depreciates in value, while a college education provides long-term benefits.]

3. [After questions 3 and 4], **SAY SOMETHING LIKE:** What loan amount might be comfortable for you as an individual?
 - Repayment terms vary, depending on the type of loan. You have at least 10 years to pay off most loans, and some offer up to 25 years to pay. Some repayment plans allow you to start with low payments, which increase with time. (Presumably you're gaining more work experience and earning more money.) Some repayment plans base your required payment on your current income.
 - But you should use caution when accepting a student loan. A fairly modest loan of less than \$4,000 a year (\$15,000 total for four years of college) is going to cost \$173

a month, every month, for 10 years. That's a lot of money for someone earning an entry-level salary.

- Experts advise borrowing no more than you'll get paid in your first year of work.

[If desired, provide an example of an entry-level salary so students can get a realistic idea of the suggested limit on borrowing and gauge the significance of a \$173 payment. See **PREPARATION** for details.]

4. [After questions 5 and 6], **SAY SOMETHING LIKE:** What are the consequences of not repaying your loan?
 - When you fail to make your student loan payments, you're said to be "in default." The terms of the loan will specify the time period that must elapse before you're considered in default.
 - The important thing to remember is that if you're having difficulty making your payments, you need to let your lender — the bank or the Department of Education — know right away. You can ask for a deferment, which postpones payments if you're facing a financial hardship or active military duty. If you don't meet these criteria, you can ask for forbearance, which reduces or postpones payment for a briefer period. In these cases, you must take action before you're in default.
 - An unpaid student loan debt can ruin your credit, making it difficult to get a loan for a house or car. The government may even request that your employer hold back a portion of each paycheck so that the loan can be repaid.
 - Almost nothing except permanent disability or death cancels a student loan. Even if you drop out of college or have a low-paying job, your student loan remains. Even bankruptcy doesn't guarantee an end to student loan payments.
5. [Direct students to **Student Handbook page 97, Five Facts About Loans**, for further information. Ask for volunteers to summarize advice about student loans.]

III. Scholarship Search (20 minutes)

1. **SAY SOMETHING LIKE:** How does this information about student loans impact your scholarship research? (*Should provide an incentive to search, because it's free money with no worries about paying it back.*) Please turn to **Portfolio pages 6-9, My Scholarships**, which provides a great way to prioritize your search and keep track of your work. Each page provides space to record information about two different scholarships.
2. [Display **Portfolio pages 6-7, My Scholarships**, using an overhead projector or laptop and LCD projector. Briefly describe how each section is used, referring to the example provided.]

SAY SOMETHING LIKE: As you browse available scholarships that look interesting, you can record what you find in the first section (above **Contact Information**). Notice the question on the sixth line: “How Well Do I Meet Qualifications?” If your honest answer is that you’re a pretty good match, write down why. But if you’re an obvious mismatch — it’s a scholarship for students with GPAs of 3.0 or higher and you seldom do better than a C, go no further. Spend your time where it counts — on the scholarships that are the best fit for your qualifications.

The next section is for **Contact Information**. Fill this in so you know whom to call if you have a question and how to submit your application. (The website in the example didn’t provide contact info, so the student has indicated how to find it.)

There’s also a section for **Required Documents**. Most scholarships will require only some of these. Check the ones that are required, and keep all of these documents in a folder so you don’t have to search for info you’ll need again and again. It’s also a good idea to print out details for specific scholarships and keep these pages in a folder.

The final section lists the **Actions Taken** to submit your application. Write down the date as you complete each step, so that you’ll have a record of your work.

3. **SAY SOMETHING LIKE:** Finally, as you discover scholarships you want to apply for, transfer each deadline to a calendar or day planner so you can see what’s coming up.
4. **SAY SOMETHING LIKE:** You’ll be spending the next 20 minutes researching scholarships that might work for you. To do this, return to the account created last week. You’ll find your username and password, if applicable, on **Student Handbook pages 93-95, Scholarship Website Summaries**, which you completed last week.
5. [Circulate among the students to answer any questions that come up.]
6. [Give students a two-minute warning before time is up. Let them know when it’s time to log off, and reconvene the class.]

IV. Next Steps (10 minutes)

1. **SAY SOMETHING LIKE:** We’re going to leave the topic of financial aid until early in January, when we’ll get started on the FAFSA on the web. In the meantime, there are several steps to take to maximize your opportunities for financial aid.

2. Please turn to **Student Handbook page 98, Financial Aid Next Steps**, to see a list of these steps. You should remove this from your binder and take this with you as a reminder. It would also be a great idea to share this with your parents and anyone else who is helping you prepare for college. Let's take a look at what's here.
 - 1) Continue your scholarship research on your own. Please see me or the school counselor if you have questions about this process.
 - 2) If you're considering a private college, check to see if the CSS/Profile is required. If it is, visit the College Board's website for instructions on completing this form.
 - 3) Prepare for the FAFSA by doing the following:
 - Apply for a PIN number for yourself, and show your parents how to apply for a PIN number for themselves. Keep these numbers confidential, as they allow access to family financial information and are used as an electronic signature for student loans.
 - If you're curious about your Expected Family Contribution, complete the FAFSA4caster online. The cool thing about this form is that the info you enter is transferred to the FAFSA when you apply in January.
 - Get your parents' help to start a folder of the forms needed for the FAFSA. Remember that all tax documents will be for this year, the year before you begin college. (That's the reason why you can't file the FAFSA now; you need to wait until January 1 when your info for this year is complete.)
3. **SAY SOMETHING LIKE:** Great job, everybody. I'll see you next week, when we'll begin a unit about the best strategies for finding a job.

How Much Do You Know About Student Loans? Answers

Complete this short quiz to determine how much you already know about student loans. Circle the best answer(s) to the questions below.

1. Federal loans make up about what percentage of total student aid?
 - a. 7%
 - b. 14%
 - c. 33%
 - d. 44%

SOURCE: Trends in Student Aid 2011-2012, The College Board

2. The average student loan debt for graduating seniors is
 - a. less than \$5,000
 - b. about \$27,000
 - c. about \$35,000
 - d. more than \$50,000

SOURCES: <http://projectonstudentdebt.org/files/pub/classof2011.pdf>

The Institute for College Access and Success's report "Student Debt and the Class of 2011" notes that 66% of college seniors had student loan debt with an average of \$26,600 for those with loans. It should be noted that debt varies widely depending on the type of school attended.

3. Suppose you borrow \$15,000 to attend college. (\$3,750 a year for four years.) Your interest rate is 6.8% and the term of your loan is 10 years. About how much would your monthly payments be?
 - a. \$64
 - b. \$173
 - c. \$381
 - d. \$555

SOURCES: <http://www.finaid.org/calculators/loanpayments.phtml> and www.federalstudentaid.ed.gov

4. Experts recommend that your total student loan be less than
- a. the salary you expect to make your first year after graduation
 - b. the price of your first car
 - c. the least expensive house in the city in which you plan to live

SOURCE: www.finaid.org

According to finaid.org, your total education debt should be less than your starting salary. If you borrow more than twice your expected starting salary, you will find it extremely difficult to pay the debt.

5. Which of the following can happen if you default (fail to make payments) on a student loan? (Circle all that apply.)
- a. bad credit rating
 - b. difficulty buying a car or house
 - c. employer takes money out of your paycheck to make payments

SOURCE: www.finaid.org/loans/default.phtml

6. Under what circumstances is a student loan cancelled? (That is, you don't need to make any more payments, ever.) (Circle all that apply.)
- a. You don't graduate
 - b. Your job pays too little
 - c. You declare bankruptcy
 - d. You become permanently disabled or die

SOURCE: www.finaid.org/loans/default.phtml

How Much Do You Know About Student Loans?

Complete this short quiz to determine how much you already know about student loans. Circle the best answer(s) to the questions below.

1. Student loans make up about what percentage of total student aid?
 - a. 7%
 - b. 14%
 - c. 33%
 - d. 44%
2. The average student loan debt for graduating seniors is
 - a. less than \$5,000
 - b. about \$27,000
 - c. about \$35,000
 - d. more than \$50,000
3. Suppose you borrow \$15,000 to attend college. (\$3,750 a year for four years.) Your interest rate is 6.8% and the term of your loan is 10 years. About how much would your monthly payments be?
 - a. \$64
 - b. \$173
 - c. \$381
 - d. \$555
4. Experts recommend that your total student loan be less than
 - a. the salary you expect to make your first year after graduation
 - b. the price of your first car
 - c. the least expensive house in the city in which you plan to live
5. Which of the following can happen if you default (fail to make payments) on a student loan? (Circle all that apply.)
 - a. bad credit rating
 - b. difficulty buying a car or house
 - c. employer takes money out of your paycheck to make payments
6. Under what circumstances is a student loan cancelled? (That is, you don't need to make any more payments, ever.) (Circle all that apply.)
 - a. You don't graduate
 - b. Your job pays too little
 - c. You declare bankruptcy
 - d. You become permanently disabled or die

Five Facts About Loans

1. **GOOD NEWS:** A student loan is an investment in the future. Money borrowed in the short term will have long-term financial benefits: increased earning power over a lifetime of work.
2. **CAUTION:** If you leave college, you must begin paying off your loans within six to nine months (depending on the type of loan), even if you don't graduate.
3. **CAUTION:** Student loans are not discharged by bankruptcy. An employer may deduct money from your wages to pay off loans you've defaulted on.
4. **BE RESPONSIBLE:** If special circumstances (job loss, disability) prevent you from making a payment, you should contact your lender immediately.
5. **PLAN AHEAD:** New college graduates should be sure to include their student loan payment in their monthly budgets. A \$15,000 loan (\$3,750 a year for four years of school) might cost \$170 a month for 10 years.

For everything you need to know about student loans, visit <https://studentloans.gov/myDirectLoan/index.action> There's even an online calculator that can help you determine how much your monthly payments will be.

See <http://www.finaid.org/calculators/loanpayments.phtml> for another online loan calculator.

The Language of Loans

Default: Fail to make payments on a loan. (The time period which must elapse before a person is considered "in default" is specified in the terms of the loan.)

Deferment: A period of time during which no payments are required. (You may request a deferment due to economic hardship or active military duty. You cannot get a deferment once a loan is in default.)

Discharge: Cancellation of a loan, only happens under specific circumstances like disability or death, or for "qualifying public service," such as teaching in a low-income area.

Forbearance: A period of time during which payments are temporarily reduced or postponed (This is for a limited and specific period of time by agreement with the lender.)

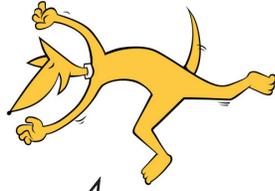
Financial Aid Next Steps

The Free Application for Federal Student Aid (FAFSA) is the key to aid from a variety of sources – the federal and state government as well as some colleges. The first date to begin this application is January 1st. What can you do between now and then? Plenty!

Here are “next steps” to make the next few months productive ones.

1. **Scholarship Search:** Continue scholarship research on your own. Be sure to note deadlines so you can submit materials on time.
2. **CSS/Profile:** If you’re considering a private school, check to see if the CSS/Profile is required in addition to the FAFSA. If so, visit the College Board’s CSS/Profile website: <https://profileonline.collegeboard.org/prf/index.jsp>. Here, you’ll find the online form, instructions, and a list of schools that require it. Note there’s a \$25 charge for an application and a report to one college. Additional reports are \$16 each. Fee waivers are available.
3. **FAFSA:**
 - a. Students and parents can use separate Personal Identification Numbers (PINs) to sign forms and access personal financial aid information online. To sign up for them, go to www.pin.ed.gov.
 - b. If you’re curious about your family’s Expected Family Contribution, you can complete the FAFSA4caster for a sneak preview. Info you enter is transferred to the FAFSA when you apply after January 1st. Go to www.fafsa4caster.ed.gov.
 - c. Get your parent’s help in collecting the paperwork needed to complete the FAFSA. Create a file that contains the following:
 - Social Security Number
 - Driver’s license (if you have one)
 - W-2 forms and other records of money earned
 - Your income tax return (for example, 2012 income tax form if applying to college for the 2013-2014 school year)
 - Your parents’ income tax form
 - Untaxed income records (veterans benefits records, child support received, workmen’s compensation)
 - Current bank statements
 - Your current business and investment mortgage information, business and farm records, stock, bond and other investment records
 - Your alien registration or permanent resident card (if you are not a U.S. citizen)

For more information, visit www.fafsa.ed.gov.



Use this page to track your scholarship applications.

MY SCHOLARSHIPS

Name of Scholarship	Optimist International Essay Contest
Deadline	Check with local chapter, no later than early February.
Amount of Award	Up to \$6,000
Eligibility Requirements	Essay on "The Power of Youth," under 19, U.S. citizen
Number of Scholarships Awarded	53 district awards of \$650 each, first prize of \$6,000, one second prize of \$3,750, one third prize of \$2,250
How Well Do I Meet Qualifications?	I'm a good writer, tiny chance of local prize, probably not bigger prizes. Limit amount of time spent.
Contact Information	
Person	
Name of Organization	Optimist Club, e-mail programs@optimist.org for contact
Street Address	
City, State, Zip Code	
Phone	
E-mail	

Required Documents	
One or two essays	400 – 500 word essay
Letter(s) of reference	
Writing sample	
Resume	
Transcripts	
Student aid report	
Tax returns and W-2 forms	
GPA certification form	
Enrollment verification form	
Financial aid award letter	
Other	Application form, birth certificate
Action Taken	
Made a copy for my records	
Application mailed	
Thank-you note sent	

MY SCHOLARSHIPS

Name of Scholarship					
Deadline					
Amount of Award					
Eligibility Requirements					
Number of Scholarships Awarded					
How Well Do I Meet Qualifications?					
Contact Information					
Person					
Name of Organization					
Street Address					
City, State, Zip Code					
Phone					
E-mail					

Required Documents		
One or two essays		
Letter(s) of reference		
Writing sample		
Resume		
Transcripts		
Student aid report		
Tax returns and W-2 forms		
GPA Certification form		
Enrollment verification form		
Financial aid award letter		
Other		
Action Taken		
Made a copy for my records		
Application mailed		
Thank-you note sent		

The **BIG** Idea

- How do I prepare to complete the FAFSA?

AGENDA

- Approx. 45 minutes
- I. Warm Up (5 minutes)
 - II. FAFSA Scavenger Hunt (10 minutes)
 - III. Overview (15 minutes)
 - IV. Next Steps (10 minutes)
 - V. Wrap Up (5 minutes)

MATERIALS

- STUDENT HANDBOOK PAGES:**
 - Student Handbook page 99, The FAFSA: Fact or Fiction?
 - Student Handbook pages 100-101, FAFSA Scavenger Hunt
 - Student Handbook page 102, Sign Me Up for a PIN
- FACILITATOR PAGES:**
 - Facilitator Resource 1, FAFSA Facts (one copy per student)
- FAFSA on the Web Worksheet (one per student)
- Highlighters

OBJECTIVES

During or following this lesson, the student(s) will:

- Apply for PIN numbers for themselves and parents (following this lesson).
- Understand what documents are needed to complete the FAFSA.
- Understand definitions needed to complete the FAFSA.
- Know what information the FAFSA yields, and how this information will be used by colleges.

OVERVIEW

In this lesson, students begin by taking a brief quiz to assess their knowledge of the FAFSA. Next, they visit the official FAFSA website, each student researching one of six specified topics. Then an overview of the FAFSA is provided, with students contributing information as their topics are discussed. In preparation for working on online FAFSA applications next week, students receive instructions for completing the FAFSA online worksheet and obtaining a PIN. Finally, students revisit the FAFSA quiz taken at the beginning of class to see what they learned.

PREPARATION

- List the day's **BIG IDEA** and activities on the board.
- List the day's vocabulary words on the board.
- The following handouts need to be made into overhead transparencies or added to your laptop for display via LCD projector:
 - **Facilitator Resource 1, FAFSA Facts**
 - **Student Handbook page 99, The FAFSA, Fact or Fiction?**
 - **Student Handbook pages 100-101, FAFSA Scavenger Hunt**
 - **Student Handbook page 102, Sign Me Up for a PIN**
- Reserve the computer lab and make sure the Internet is accessible. Familiarize yourself with the FAFSA website: www.fafsa.ed.gov. Double-check to make sure all of the information on **Facilitator Resource 1, FAFSA Facts**, is current, and make changes as needed.
- For **Activity IV**, go to <http://studentaid.ed.gov/fafsa/filling-out> and click on the link for a FAFSA on the Web Worksheet. Download a copy. Read through it carefully so that you can anticipate questions students might have. (Since this form undergoes frequent changes, you'll need to review the dialogue in this section and make the necessary updates.) Make a copy of all pages of this worksheet for each student. These will be taken home for research between this week and next.
- With your school administrator and/or school counselor, discuss how you will address the issue of undocumented students when the class works on the FAFSA online next week. No federal aid is given to undocumented students, and although there's an option to complete the FAFSA if you're "neither a citizen nor eligible non-citizen," the form won't be processed without a social security number.

Students not wishing to complete the FAFSA on the Web can participate next week using the demonstration website for counselors:

<http://fafsademotest.ed.gov>

Username: eddemo

Password: fafsatest

Students who are undocumented may wish to contact the financial aid office at their colleges, whose recommendations may include sending a paper FAFSA directly to the school or completing a CSS Profile instead.

VOCABULARY

Binding Legal Obligation: A responsibility enforced by law. For example, parents have a binding legal obligation to send their children to school. In the world of financial aid, signing a promise to pay back your student loan creates a binding legal obligation.

Dependent: For FAFSA purposes, a dependent student is one whose parents' income must be considered in determining financial need.

Independent: For FAFSA purposes, an independent student is one whose parents' income is not considered in determining financial need.

Selective Service: Government agency that keeps a list of men of eligible age to be drafted into military service in case of war.

Verification: Process by which something is proven to be true.

IMPLEMENTATION OPTIONS

Activity II: If computer access is not available, go to <http://studentaid.ed.gov/>, FAQs, and print out the pages necessary to complete **Student Handbook pages 100-101, FAFSA Scavenger Hunt**. Make enough copies so that each student can research one section, and save materials for re-use from class to class.

You may wish to provide small prizes for work on **Activity II, FAFSA Scavenger Hunt**. You could also announce a reward for FAFSA worksheets that are returned next week with the student portion completed.

You may wish to change the time allocated to **Activities III and IV** so that your students feel most comfortable with the FAFSA. Feel free to skip **Activity V** if time is short.

ACTIVITY STEPS

I. Warm Up (5 minutes)

1. [Have students complete **Student Handbook page 99, The FAFSA: Fact or Fiction?** as they enter the classroom. When they've finished, let them know they'll return to this page at the end of class to check their answers.]

II. FAFSA Scavenger Hunt (10 minutes)

1. **SAY SOMETHING LIKE:** Happy New Year, everyone. This week and next, we're going to celebrate by beginning the FAFSA together.

[Ask for a student to remind the group of the purpose of the FAFSA. Ask for a second volunteer to explain the significance of the January 1st date.]

SAY SOMETHING LIKE: As you know, the FAFSA is the key to all need-based forms of financial aid. Once you complete it, you'll be eligible for grants and loans from the federal and state governments, as well as individual colleges.

Today, we'll visit the FAFSA and/or the Federal Student Aid website for an overview of the application process. There's a wealth of information there, and many of your questions will be answered. If you think of something that's not covered, there are ways to get in touch with an actual human who can help.

Next week, we'll begin the online application together. At the end of class, I'll give you a worksheet that will help you and your parents assemble the information you need.

2. [Let students know they'll be assigned to one of six tasks for the next activity. Have them count off by letter (A,B,C,D,E,F) or draw letters from a hat to receive their assignments.]
3. **SAY SOMETHING LIKE:** To get started, please turn to **Student Handbook pages 100-101, FAFSA Scavenger Hunt.**

[Display a copy of this page using the overhead projector or laptop and LCD projector.]

SAY SOMETHING LIKE: Note that there are instructions at the top of the page and six sections of questions corresponding to the letters you were just assigned.

[Have a student read the directions aloud. Using your laptop and LCD projector, model how to view the Help section of the FAFSA website.]

Give students 10 minutes to work, and advise them to hold on to their research as you review the key features of the FAFSA. You'll call on them to report their findings when you reach their assigned topics. Invite students to take notes, and let them know that you'll distribute a handout of the information you're covering.]

III. Overview (15 minutes)

1. [Display a copy of **Facilitator Resource 1, FAFSA Facts**, using the overhead or LCD projector. Cover all but the first question and convey the key points from the paragraph below. Continue the same way through all 15 questions, calling on volunteers to present information when you reach each of the following topics:
 - A group: Question 2, Eligibility
 - B group: Question 4, Receiving and Using a PIN
 - C group: Question 9, Getting Help
 - D group: Question 12, Finding and Using Federal School Codes
 - E group: Question 13, Definitions
 - F group: Question 14, Technical Questions

Note: When discussing Question 2, Eligibility, describe your expectations for undocumented students when the class completes the FAFSA next week. See PREPARATION for details.

IV. Next Steps (10 minutes)

1. **SAY SOMETHING LIKE:** We only have one class period to devote to working on the FAFSA online, so there's work to be done between now and next week. The Federal Student Aid website provides a handy worksheet to help you gather data offline, which makes working online much, much easier. I'll review the key sections now, so you'll know what to look for.

If your parents are unable to complete their portions this week, or if they're unwilling to send financial information to school, no worries. You can assist them in filling out the parent info at a later date.

2. [Distribute copies of the FAFSA on the Web worksheet, and direct students' attention as follows.]

SAY SOMETHING LIKE: Don't be alarmed by the many pages of small type! Some pages are only for your parents, and some won't apply to you. Let's look at the rest together.

You should feel free to take notes directly on this page, as this is a worksheet for your use only. It is not a mail-in application.

- The first page includes directions, which you can review at your leisure.
- You'll also see a list of state aid deadlines in the box at the right. Remember, you'll want to apply well in advance of these deadlines in order to get the maximum state aid. [Point out the deadline for aid in your state.]
- Two important notes here:
 - If your parent or step-parent doesn't have a Social Security Number, you can use all zeroes. (If they do have SSNs, you'll need to use them.)
 - You'll need financial information for both yourself and your parents. Don't worry if you've never worked, or never filled out a tax return. Many high school students will find themselves in this situation. Keep in mind this form is for college students of all ages.

[Read through the list, and answer any questions the student might have.]

SECTION 1: STUDENT INFORMATION

- **Are you a U.S. citizen?** You need a social security number to complete the FAFSA on the Web. If you don't have one, don't fill out the FAFSA next week. I'll have a demonstration website available for anyone who wants to participate without providing personal information.
Those of you who aren't legally documented will want to check with your college financial aid office for the best advice on how to proceed.
- **Selective Service** If you're a guy 18 or over, and have not registered for the selective service, check the "Register Me" box. If you are not registered, you cannot receive financial aid.

SECTION 2 – STUDENT DEPENDENCY STATUS

- All of these questions are designed to determine if you can be considered an independent student.
- You can be considered independent if you're married, homeless, a veteran, have a child for whom you provide more than half the financial support, etc.

SECTION 3 – PARENTAL INFORMATION

- The good news is, you don't have to answer anything in this section. But you may need to make sure your parents answer them. Even if they're unable to do this this week, you should let them know what the process is, and figure out a convenient time to work on it. Note: this worksheet is like a study guide for completing the FAFSA, which could be worth thousands of dollars in financial aid. Your parents will really, really want to know that you have this information.

SECTION 4 – STUDENT INFORMATION

- Note that many of the questions in this section ask for information from your tax return. These questions apply to older students as well as high school students; don't worry if you didn't file a tax return.
3. **SAY SOMETHING LIKE:** I'd like you to turn to **Student Handbook page 102, Sign Me Up for a PIN**, and remove it from your binder. This page includes instructions for creating a Personal Identification Number (PIN) for the FAFSA. You can get a jump on next week's work by creating a PIN this week. One parent must also sign the FAFSA, so encourage them to get a PIN as well.

V. Wrap Up

1. **SAY SOMETHING LIKE:** Finally, let's return to **Student Handbook page 99, The FAFSA: Fact or Fiction?** [Allow students to share their answers, and discuss as needed. NOTE: Every answer should be checked; all are true.]
2. [Thank students for their attention, and encourage them to return with their portion of the FAFSA worksheet completed next week.]

FAFSA Facts

1. Why file the FAFSA?

The Free Application for Federal Student Aid (FAFSA) determines how much your family can afford to contribute to your postsecondary education, including four-year college, community college, and many tech/trade programs. It provides information necessary for all needs-based financial aid, including federal, state, and some institutional (school) aid.

2. Who's eligible?

Eligibility requirements include the following:

- You must be a U.S. citizen or documented legal resident
- You must be a high school graduate (or have a GED, or pass an ability-to-benefit test)
- If you're a male from 18 through 25, you must be registered with the Selective Service. (If you're not, you can do this while completing the FAFSA.)
- Be enrolled in an eligible postsecondary program

3. Why file online?

- Your application is more likely to be accurate – the computer program prompts you to correct mistakes.
- The process will be shorter – the computer program skips questions that don't apply to you.
- You'll get your Student Aid Report (SAR) faster.
- You can access and update information easily. NOTE: This is especially important because you'll need to reapply for aid each year that you're in school.

4. How do I sign my online application?

You can do this in one of two ways:

- Use a Personal Identification Number (PIN) and sign electronically.

If you're a dependent student, one of your parents can also get a PIN to sign your FAFSA electronically.

For up-to-date information and further details, visit www.fafsa.ed.gov.

5. How will my parents be involved?

Dependent students must provide financial information for themselves and their parents, whether or not their parents are planning to help pay for college. There are specific rules regarding who's considered a parent for the purposes of the FAFSA:

- Report information for your biological or adoptive parents. If your parents are married, provide income information for both parents.
- If your parents are divorced or separated, report the income of the parent with whom you lived for most of the year.
- If your parents share custody equally, report the income of the parent who provided most of your financial support.
- The income of a step-parent with whom you live is reported only if he or she is legally married to your parent.
- Income of legal guardians, foster parents, or other family members (for example, a grandparent, aunt, or uncle) isn't reported.

Very few high school students are considered **independent** for the purpose of the FAFSA. To learn more about whether you are an independent or dependent student, see <http://studentaid.ed.gov/fafsa/filling-out/dependency>.

(NOTE: Don't skip the FAFSA because you think your parents make too much money to be eligible for aid – you never know.)

6. What are the deadlines?

You can't begin the FAFSA until January 1 because you need income information from the previous year in order to file. It's easiest to complete the FAFSA if you and your parents fill out your tax returns before you begin. (FAFSA instructions contain helpful directions like "Income tax amount is on IRS Form 1040 – line 56.") If you prefer, you can estimate your income and correct your estimates when you finish your taxes.

Each state has its own deadline for filing, but this is a situation where waiting till the last minute can really hurt you. (Some funds are awarded on a first-come, first-served basis, and you don't want to miss your chance to get all the money you're eligible for.) For a list of state deadlines, go to www.fafsa.ed.gov.

You should complete your portion of the FAFSA as soon as possible, then urge your parents to do the same. If you anticipate problems getting your parent to do his/her part, you should troubleshoot this with your school counselor right away.

For up-to-date information and further details, visit www.fafsa.ed.gov.

7. How do I make corrections?

You can use the “Corrections on the Web” feature of the FAFSA to correct mistakes or update information, except for the following:

- Your Social Security Number. If your SSN is incorrect, you need to file a new application.
- Financial information that was correct on the day the FAFSA was submitted should not be updated.
- Marital status that was correct on the day the FAFSA was submitted should not be updated.

8. How will my information be verified?

About 1/3 of all FAFSA applications are selected for **verification**, which means you must send requested documents to your college. These documents support information you’ve provided on your FAFSA. Your application may be randomly selected, or it may be selected because there’s a discrepancy in your information, or because information is missing from your application. Keep copies of all of your financial documents together, just in case more info is requested.

9. Where do I go for help?

The FAFSA provides both online and phone support for families with questions:

- 1-800-4-FED-AID (1-800-433-3243). TTY line (for callers who are hearing impaired) 1-800-730-8913.
- <http://studentaid.ed.gov/>
- www.fafsa.ed.gov

10. When do I need to speak with a financial aid administrator?

Your college’s financial aid office can answer questions about financial aid at that school. You’ll need to alert them to circumstances that either aren’t reflected on the FAFSA or change after the FAFSA is filed (for example, unusual medical expenses, or a job loss). You’ll also want to ask for advice about other special circumstances.

11. What happens after the FAFSA is filed?

You receive a Student Aid Report (SAR) that summarizes the information you’ve provided and gives the amount of your Expected Family Contribution (EFC). You should review your SAR to make sure everything’s correct. This information is automatically provided to the colleges you’ve specified, and they use it to determine the type/amount of financial aid they’ll offer if you’re accepted for admission. Financial aid will be paid to you through your school.

For up-to-date information and further details, visit www.fafsa.ed.gov.

12. How do I report my information to schools?

You can select up to 10 schools to receive your Student Aid Report. If you need to include additional schools, you must delete some from your first list before adding more. (NOTE: Deleted schools won't receive any corrections you make after deleting them.)

13. What definitions do I need to know?

- **PIN:** Personal Identification Number
A four-digit number that, along with your name, Social Security Number, and date of birth, identifies you as someone who has a right to access your personal info on Federal Student Aid websites.
To obtain a PIN, go to www.pin.ed.gov.
- **EFC:** Expected Family Contribution
A measure of how much your family can afford to pay for your education for the next school year. Your EFC is based on the information you provided on the FAFSA. Your EFC determines your eligibility for financial aid for one school year.
- **SAR:** Student Aid Report
Contains the information you provided on the FAFSA as well as your EFC (Expected Family Contribution)

14. How do I save my work on the online application?

You can save your work as you go by clicking the “save” button at the bottom of the page. Incomplete applications remain on the FAFSA website for 45 days, or until the federal application deadline, whichever comes first.

15. Is there anything else I need to do?

Make sure to check state and college financial aid requirements. Both may have additional paperwork to complete, for example, a CSS Profile for some private schools.

For up-to-date information and further details, visit www.fafsa.ed.gov.

The FAFSA: Fact or Fiction?

Read each prompt below and check each box that makes the statement true.
(NOTE: You can check as many boxes as you wish in each category.)

1. You must complete the FAFSA in order to receive
 - Financial aid from the federal government.
 - Financial aid from your state government.
 - Financial aid from many schools.
2. Government aid may be used to pay for
 - Full-time attendance at four-year colleges.
 - Full-time attendance at community colleges.
 - Full-time attendance at some tech and trade schools.
3. The FAFSA includes financial information about
 - The student who will be attending school.
 - The student's biological or adoptive parent(s).
 - The student's step-parent with whom s/he lives.
4. The FAFSA should be completed
 - No earlier than January 1 of the year before beginning college.
 - By a deadline that varies from state to state.
 - As early as possible to receive the maximum financial aid.

FAFSA Scavenger Hunt

You have 10 minutes to accurately answer as many of the following FAFSA questions as possible. Please answer the questions in your assigned section (A, B, C, D, E, or F) first. If you finish early, please try a few questions in another section. Be prepared to explain your answers to your classmates.

To begin:

- Go to the FAFSA website at www.fafsa.ed.gov.
- Click on Help in the top bar.
- Locate your topic in the menu on the left-hand side of the page. You may have to explore the titles under each heading to find what you're looking for.

Eligibility (A)
Citizenship?
Selective Service?
Eligible program?
Drug conviction?
Receiving and Using a PIN (B)
Who needs a PIN?
What is a PIN used for?
Why is it important not to tell anyone your PIN?
How do you get a PIN?
Getting Help (C)
List three options for getting help in completing the FAFSA. Note: All are available via the website.

Finding and Using Federal School Codes (D)

Where can you find Federal School Codes?

What are they used for?

What if you want to apply to more than 10 schools?

Definitions (E)

Define each of the terms below.

PIN

EFC

SAR

Technical Questions (F)

How do I save my application so I can return to it later?

How do I return to my saved application?

How long will my application be saved?

Sign Me Up for a PIN

A PIN is a four-digit number that is used in combination with your Social Security Number, name, and date of birth to identify you as someone who has the right to access your own personal information on Federal Student Aid websites, such as FAFSA on the Web.

The security of your PIN is important because it can be used to:

- Electronically sign Federal Student Aid documents;
- Access your personal records; and
- Make binding legal obligations (like signing for a student loan).

If you are a dependent student, both you and your parent(s) will need PINs. You can apply for them online at www.pin.ed.gov. All you need is:

- Your Social Security Number
- Full name and address
- Date of birth

Important Note: A PIN that is selected or viewed instantly online or is sent to you in an e-mail is considered to be conditional until your information is verified with the Social Security Administration (1-3 days from the date you first apply). You may sign your FAFSA with it, but nothing else. Once we complete this verification, you will be able to use your PIN for other purposes (such as correcting your SAR or accessing other Federal Student Aid websites).

SOURCE: www.fafsa.ed.gov and <http://www.pin.ed.gov/PINWebApp/pinindex.jsp>

FAFSA II

The **BIG** Idea

- How do I complete the FAFSA?

AGENDA

- Approx. 45 minutes
- I. Warm Up (5 minutes)
 - II. FAFSA Online (30 minutes)
 - III. Next Steps (10 minutes)

MATERIALS

- STUDENT HANDBOOK PAGES:**
 - Student Handbook page 103, FAFSA on the Web
 - Student Handbook pages 104-106, FAFSA Completion Tips
 - Student Handbook page 107, Signing Your FAFSA Application
 - Student Handbook page 108, FAFSA Next Steps
- FAFSA on the Web worksheets completed as homework
- Laptop and LCD projector
- Additional copies of “FAFSA on the Web” worksheets for students who’ve misplaced their copies (From Financial Aid 4: FAFSA I)

OBJECTIVES

During this lesson, the student(s) will:

- Complete student sections of the FAFSA online.
- Understand the additional steps required to complete their applications.

OVERVIEW

In this lesson, students learn to navigate the FAFSA website. Beginning the application as a class, they complete five of the first six sections, skipping the “Parent Information” section for later input. They discuss the information contained on the signature page, necessary follow-up, and what to expect after their applications are submitted. If time permits, students may create the Personal Identification Numbers (PINs) needed to sign their applications electronically.

PREPARATION

- List the day’s **BIG IDEA** and activities on the board.
- List the day’s vocabulary words on the board.
- The following handouts need to be made into overhead transparencies or added to your laptop for display via LCD projector:
 - **Student Handbook pages 104-106, FAFSA Completion Tips**
 - **Student Handbook page 107, Signing Your FAFSA Application**
 - **Student Handbook page 108, FAFSA Next Steps**
- Log on to <http://fafsademotest.ed.gov>, where you’ll find a FAFSA on the Web demonstration tool for counselors. Username: **eddemo**; Password: **fafsatest**. Navigate through the entire application so that you are able to point out various features, can predict the questions that will be difficult for your students, and are familiar with the answers. **NOTE: Do not use actual personal identifying information on this site.**

Click on “FAFSA on the Web Demo System” at the bottom of the page to begin.

Compare the lesson instructions and student materials with the current version of the FAFSA, and make any changes needed.
- Sign up to use the computer lab. Make sure you have Internet access, and that the FAFSA on the Web works in your classroom.
- You may wish to invite your school counselor to co-present this lesson.
- Check with your school’s technology expert for instructions on clearing the browser’s cache after students complete their applications. Clearing the cache removes stored personal information. (Information on clearing the cache can also be found at www.fafsa.ed.gov/cache.htm.)

BACKGROUND INFORMATION

By now, students should be familiar with the Free Application for Federal Student Aid (FAFSA) – the key to federal, state, and some institutional (college) aid. There are many advantages to completing this application online, and this lesson focuses on that process.

Students who are considered dependent students by the Department of Education must supply parental information as well as their own. You and your school counselors will play an important role in educating parents about the FAFSA, prompting students to encourage parents to complete the process. A financial aid night for hands-on completion of the parent portion of the FAFSA is highly recommended. The National Association of Student Financial Aid Administrators (NASFAA) has tools for presenting this information to parents. (http://www.nasfaa.org/counselors/Financial_Aid_Night_Presentation.aspx)

The official FAFSA website (www.fafsa.ed.gov) provides very thorough instructions for completing the online application. A preparatory “FAFSA on the Web” worksheet may also be downloaded from from the Federal Student Aid site (<http://studentaid.ed.gov/fafsa/filling-out>). Families with questions may access help via phone or the website. Student and parent Personal Identification Numbers (PINs) can be obtained at www.pin.ed.gov.

More information on the FAFSA, and other financial aid concerns, can be found at <http://studentaid.ed.gov/>.

You should be alert to special cases that require help from the school counselor – for example, undocumented students who can’t complete the FAFSA online, students in need of dependency overrides (situations in which students are considered dependent by Department of Education standards, but need to appeal their cases to the financial aid offices at their colleges), and students required to complete the CSS Profile (www.collegeboard.com) by their colleges. You will also want to remind students of additional applications needed for state aid.

It’s helpful to keep in mind a counselor’s role in the financial aid process. Options Institute (<http://goddard.org/our-programs/education-college-access/options-institute/>) includes the following among its guidelines for counselors:

- Counselors help the student and family through the financial aid process, as families often find it complicated and intimidating. Because the financial aid process can be

arduous and confusing, counselors often need to be proactive in guiding the student and family through all the steps of applying for, evaluating, and accepting financial aid.

- Counselors empower students and their families with information so that they can make informed decisions about how to complete the financial aid process.
- Counselors cannot participate in helping the students knowingly provide false information in the financial aid process.
- Counselors are not “preparers;” they do not fill out the forms for the student, or sign in the box at the bottom of the last page of the FAFSA.

*SOURCE: OPTIONS CAPDI at Goddard Riverside Community Center, www.goddard.org

VOCABULARY

Dependent: For FAFSA purposes, a dependent student is one whose parents’ income must be considered in determining financial need.

Expected Family Contribution (EFC): An estimate of how much a student and his/her family can afford to pay for college for the next school year, determined by completing the FAFSA.

Independent: For FAFSA purposes, an independent student is one whose parents’ income is not considered in determining financial need.

Personal Identification Number (PIN): Number chosen to provide access to student’s financial aid records on the web; allows student and parent to sign FAFSA electronically.

Student Aid Report (SAR): Document provided to student and his or her selected colleges that summarizes financial aid information and reports Expected Family Contribution.

IMPLEMENTATION OPTION

Activity II: If you’re teaching this lesson during the fall semester, you may wish to distribute **Student Handbook pages 104 - 106, FAFSA Completion Tips**, after the first of the year as a reminder to students completing their applications at home.

ACTIVITY STEPS

I. Warm Up (5 minutes)

1. **SAY SOMETHING LIKE:** Today's the big day! We're going to sign on to the FAFSA website, where each of you will have a chance to begin your online application. The FAFSA allows you to apply for financial aid for all approved postsecondary programs – including four-year colleges, community colleges, and many tech/trade programs, so I encourage you to log on and complete the application no matter what your educational plans are.
2. **SAY SOMETHING LIKE:** As I mentioned last week, you'll need a social security number to complete the FAFSA on the Web. If you're not a U.S. citizen or eligible non-citizen, or you don't want to provide personal information today, you can still check out the FAFSA by logging on to the demonstration website, which I'll be using as well.
[Write the following on the board:
fafsademotest.ed.gov
username: eddemo
password: fafsatest]

Please **do not** use your actual personal information on the demo website.

If you're not completing the FAFSA today because of citizenship issues, please remember that even though undocumented students are not eligible for federal aid, they may be eligible for other kinds of aid. If you're in this situation, you'll want to get advice from your college's financial aid office.

3. **SAY SOMETHING LIKE:** Please turn to **Student Handbook page 103, FAFSA on the Web**, for a look at some of the features of the online application.
4. [Point out the space at the top of the page for students to record their names as they appear on the application, as well as the passwords they use. Provide students with dates to fill in the blanks at the top of the page: 45 days from today's date (the date on which their saved info will be dumped if they've not completed their applications), and the state and federal deadlines for submitting their applications (available on the FAFSA website). You can briefly review the list of FAFSA features, or point them out as you go.]

II. FAFSA Online (30 Minutes)

1. **SAY SOMETHING LIKE:** We'll be completing the FAFSA together so I can answer common questions as we go. We'll do Student Demographics, School Selection and "Dependency Status" – as a class. After that, if you prefer to move ahead on your own, you may. Turn to **Student Handbook pages 104-106, FAFSA Completion Tips**, for important reminders on completing each section.
2. **SAY SOMETHING LIKE:** Ready to log on? If you're completing a real application, use www.fafsa.ed.gov. If you choose not to provide personal information today, use <http://fafsademotest.ed.gov>, then the username and password that I've written on the board. (You may be asked to provide it several times.) Once you've reached the FAFSA home page, let me know by looking up from your computer, and we'll continue together.
3. [Use your laptop and LCD projector to model each step, making clear that your first few steps are for the demo site only. Instruct students using the demo site to click on "FAFSA on the Web Demo System" at the bottom of the page.]
4. **SAY SOMETHING LIKE:** You should all be on the home page.

Student Demographics

In the first section, you'll be asked for identifying information about you and your plans for college.

Enter your nine-digit Social Security Number without hyphens. If you're using the demo site, enter 236-04-2001. [Write this number on the board.] Check this carefully, as you will not be able to change your Social Security Number after you leave this page.

[Instruct students to complete the info on this page. Remind the class that the passwords they create are case-sensitive. Students using the demo site should make up names and other identifying information.]

SAY SOMETHING LIKE: Take a moment to write down your name and password so that you can return to your application at a later date. Click "Next."

SAY SOMETHING LIKE: Enter all of the information on this page. You can see that helpful information appears on the right side of the page as you move through the questions. Make sure you read the Help and Hints as you complete the questions.

[Allow students time to complete the page.]

Answer the remaining questions in the “Student Demographics” section. You’ll find helpful tips on **Student Handbook pages 104-106, FAFSA Completion Tips**. When you reach the “School Selection” section, stop.

[Allow students time to answer the remaining questions in this section. If you think your students will need assistance with the remainder of this section, use **Student Handbook pages 104-106, FAFSA Completion Tips** as a guide.] Find the schools that you’re interested in attending and add them to your FAFSA list on the School Selection page.

5. Dependency Status

SAY SOMETHING LIKE: You should all be on the first “Dependency Status” page. The questions in this section determine whether you’re considered **dependent** or **independent**, according to the Department of Education definition.

If the Department of Education considers you a dependent student, you must provide information about your parent(s) as well as yourself. There are rare situations where you can appeal to be considered an independent student. This requires providing supporting evidence to your college’s financial aid office. If you believe your circumstances might qualify you for independent status, ask your school counselor for help.

Answer each of the questions. When you reach where you’re asked to select whether you will or will not provide your parents’ information, stop.

[Provide time for students to answer the questions in this section. If you feel your students will struggle, read each “Dependency Status” question aloud and explain as needed.]

6. Parent Information

SAY SOMETHING LIKE: You should now be on a page that asks whether you will or will not provide parent information on the FAFSA. We’re going to skip the Parent Information section for now. **You must return to this section later and complete it before submitting the FAFSA.** In order to skip this section and move on, select “I am unable to provide parental information.” You’ll see one or more screens that ask if you’re sure. Select the “I am unable . . .” choices, and click “Next.”

Save your work. Once we've completed the remaining sections, we'll come back to this one.

7. Financial Information

SAY SOMETHING LIKE: We have two more sections to complete in class today. Those of you who wish to work on these sections on your own may do so. Please complete "Financial Information". Then stop. Do not submit your signature page or application today.

If you're working on your own, please do not interrupt the class to ask questions about topics the rest of us have not yet reached. Wait for us, refer to the Help and Hints at the right-hand side of each page. You'll find tips on **Student Handbook pages 104-106, FAFSA Completion Tips.**

[Use your laptop and LCD Projector to demonstrate completion of this section. Refer to **FAFSA Completion Tips** as needed.]

8. [When all students have completed "Financial Information", remind them to save their work.

Ask all dependent students to return to the Dependency Status section. Scroll through the first three pages of questions. When you reach the page that asks whether students will provide parental information, **have all students click "I will provide parental information" and save again. Remind students that they must complete this section in order for the FAFSA to be processed.**

III. Next Steps (10 minutes)

1. [Write the following on the board:
 - Provide parental information
 - Check to make sure all info is correct
 - Sign your application (Get PINs)
 - Submit your application]

SAY SOMETHING LIKE: These are the final steps needed to process your application. Once you've input all of your information, you'll see a Signature page. You and your parent can sign your application by printing, signing, and mailing the form, or by signing electronically using a Personal Identification Number (PIN). See **Student Handbook pages 104-106, FAFSA Completion Tips** to review these steps.

2. **SAY SOMETHING LIKE:** Let's look at a sample signature page to see what you're agreeing to. Please turn to **Student Handbook page 107, Signing Your FAFSA Application**. You should review this as you would any contract. Let's have a look.

[Write the following questions on the board. Quickly assign groups of students to find the answer to one of three questions:

- List three things you're agreeing not to do. (Top of page, items 1-5)
- List two ways the Department of Education may verify your records (Middle of page, items 1 and 2)
- What are the possible penalties for knowingly providing false information? (last paragraph)]

[Have students underline the answers to their assigned questions. Discuss as a class.]

3. **SAY SOMETHING LIKE:** You did a great job of completing your portion of the FAFSA today. You are now ready to coach your parents through the process of completing their portion as well. Remember, some grants are offered on a first-come, first-served basis, so you'll want to encourage your parents to do this soon. If you have questions, you can reach a FAFSA representative by phone or e-mail.

Once you've input and double-checked all of your information, sign your application, and print your confirmation page. Your results should be available in one to three weeks.

[Direct students to **Student Handbook page 108, FAFSA Next Steps**, for information about their Student Aid Reports and how the results will be reported to their schools.]

SAY SOMETHING LIKE: We'll return to the topic of financial aid one more time at the end of March, when we'll talk about how to compare the financial aid awards that will be arriving from different schools.

In the meantime, please feel free to ask me or the school counselor if you need help with the remaining FAFSA steps.

[If time remains, conclude the lesson by allowing students who have not already done so to apply for PINs at www.pin.ed.gov.]

FAFSA on the Web

LAST NAME: _____ FIRST NAME: _____

PASSWORD: _____

DEADLINES

45 days from now _____

State deadline: _____

Federal deadline: _____

TIPS

- **NAVIGATING AND SAVING**

SAVE often. Use the SAVE button at the bottom of the page, not the one from your browser's toolbar. Navigate using the PREVIOUS and NEXT buttons at the bottom of the page. You can return to any section you've completed by clicking on its title on the left side of the page.

- **CORRECTING ERRORS**

An error message will appear at the top of your page if you fail to answer a required question, or give an answer that conflicts with one given previously. You'll need to fix the error before continuing.

- **HELP**

If you need help filling out the FAFSA, use these free tools:

Read the "Help and Hints" located on the right side of any FAFSA on the Web entry page. (The hints change depending on what question you're on.)

Click "Need Help?" at the bottom of any FAFSA on the Web entry page (in other words, any page where you're entering information into the application).

Chat (in English or Spanish) with live technical support staff by clicking the "Contact Us" icon at the top of any FAFSA on the Web entry page.

- **PARENT INFORMATION**

If you don't have this information today, select "I am unable to provide parental information" on the last page of the Dependency Status section. If you are a dependent student, your application will not be complete, and your EFC will not be calculated, without this information. **Remember to return later to select "I will provide parental information," and input the correct information.**

- **SIGNING AN ONLINE APPLICATION**

Your application is not complete until you submit and sign it. To sign,

- Apply for Personal Identification Numbers for you and your parent, and sign electronically.

FAFSA Completion Tips

Place a check mark beside each section as you complete it, so you'll have a record of what still needs to be done.

- Student Demographics
- School Selection
- Dependency Status
- Parent Demographics
- Financial Information
- Sign and Submit
- Confirmation

The FAFSA can change from year to year. To keep up with the latest advice and updates, please visit: <http://studentaid.ed.gov/fafsa/filling-out>

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Signing Your FAFSA Application

This is a sample signature page for the FAFSA. Please review so you know what you're signing.

By signing this application electronically using your Federal Student Aid PIN or by signing a signature page and mailing it to us, YOU, THE STUDENT, certify that you:

1. will use federal and/or state student financial aid only to pay the cost of attending an institution of higher education,
2. are not in default on a federal student loan or have made satisfactory arrangements to repay it,
3. do not owe money back on a federal student grant or have made satisfactory arrangements to repay it,
4. will notify your school if you default on a federal student loan and
5. will not receive a Federal Pell Grant from more than one school for the same period of time.

By signing this application electronically using your Federal Student Aid PIN or by signing a signature page and mailing it to us, you agree if asked:

1. to provide information that will verify the accuracy of your completed form.
2. to provide U.S. or state income tax forms that you filed or are required to file.

You also certify that you understand that the Secretary of Education has the authority to verify information reported on your application with the Internal Revenue Service and other federal agencies.

If you sign this application or any document related to the federal student aid programs electronically using a PIN, you certify that you are the person identified by the PIN and have not disclosed that PIN to anyone else. If you purposely give false or misleading information, you may be fined \$20,000, sent to prison, or both.

If you agree to these terms select 'I Agree.'

I Agree

I Disagree

FAFSA Next Steps

Once your FAFSA has been processed, you'll get a Student Aid Report (SAR). If you provided an e-mail address, you'll receive an e-mail telling you how to access an electronic version. If you've not provided an e-mail address, you'll receive a letter containing your SAR.

Your SAR will include a request for further information, if needed. If your application was complete, your SAR will include your Expected Family Contribution (EFC). The colleges you listed in your application will receive an electronic copy of your SAR. They'll use your EFC to calculate how much financial aid you'll be eligible for.

You can check the status of your FAFSA immediately after submitting it online. You can check the status of a paper FAFSA after it has been processed (roughly seven to 10 days from the date mailed). Here's how:

Option 1: Go to www.fafsa.gov and click Start Here to log in.

Option 2: Contact the Federal Student Aid Information Center.

If your FAFSA is still being processed, we recommend that you wait a few days before checking the status again.

You can also use the FAFSA website to make corrections to a FAFSA you've already submitted.

Comparing Financial Aid Awards

The **BIG** Idea

- How do I compare financial aid award packages and decide which to accept?

AGENDA

Approx. 45 minutes

- I. Warm Up (5 minutes)
- II. Financial Aid Awards At-A-Glance (10 minutes)
- III. Comparing Financial Aid Awards (20 minutes)
- IV. Wrap Up: Next Steps (10 minutes)

MATERIALS

PORTFOLIO PAGES:

- Portfolio pages 10-13, Financial Aid Comparison Worksheet (two copies)
- Portfolio pages 19-22, Grade 12 Skills Checklist (Finding a Job skills only)

STUDENT HANDBOOK PAGES:

- Student Handbook page 109, Financial Aid Match Up
- Student Handbook pages 110-112, Award Letters
- Student Handbook page 113, Financial Aid Considerations
- Student Handbook page 114, Tips for Calling Financial Aid Office
- Student Handbook pages 115-116, Appealing a Financial Aid Package

FACILITATOR PAGES:

- Facilitator Resource 1, Financial Aid Comparison Worksheet ANSWERS

Laptop and LCD projector

Calculators

OBJECTIVES

During this activity, the student(s) will:

- Use a form to compare financial aid awards for two or more schools.
- Know how to follow up with a college's financial aid office, including appealing an award, accepting an award, or considering other options.

OVERVIEW

In this lesson, students evaluate financial aid award offers they receive. The lesson begins with students solving a financial aid puzzle, matching aid type with dollar amounts. Then, student pairs review two financial aid award letters and identify the pros and cons of each. Next, students conduct a deeper, more detailed analytical review of the two offers using a chart and breaking down the costs, type of aid, and gaps between aid and cost of attendance. The lesson — and unit — concludes with a discussion of next steps, including how to appeal an offer, how to assess whether a gap in aid is manageable, and how to accept an award.

PREPARATION

- List the day's **BIG IDEA** and activities on the board.
- Make the following handouts into overhead transparencies or copy onto chart paper:
 - **Student Handbook pages 110-112, Award Letters**
 - **Student Handbook page 113, Financial Aid Considerations**
 - **Portfolio pages 10-13, Financial Aid Comparison Worksheet**
- For **Activity III**, review the online loan calculator at FinAid's website: <http://www.finaid.org/calculators/loanpayments.phtml> and be prepared to demonstrate its use to your students. (This requires Internet access.)
- Note that some of the grant options in **Facilitator Resources 1, Financial Aid Comparison Worksheet Answers** (and the corresponding **Portfolio pages 10-13,**) are identified as generic "state grants." You should be prepared to instruct your students to list loans particular to your state.
- Make additional copies of **Portfolio pages 10-13, Financial Aid Comparison Worksheet**, to distribute to students who have multiple schools to compare.
- You may wish to substitute a recent financial aid award letter from a local college for one provided in **Student Handbook pages 110-112, Award Letters**. If you choose this option, you'll need to make an overhead transparency and/or student copies of this letter.

BACKGROUND INFORMATION

May 1 is known informally as National Decision Day. For many colleges, this is the deadline by which students must accept offers of admission. Because financial aid considerations

are such an important part of this process, this lesson should be presented during the last week of March (or earlier, if recommended by your school counselor), so that students have the tools they need to compare financial aid awards from different schools.

Each year, millions of students receive billions of dollars in financial aid from federal, state, and private sources to pay for college. A student's financial need is determined by figuring the **Total Cost of Attendance** (direct costs — e.g., tuition, room and board, registration fees, plus indirect costs — e.g., travel, books, personal expenses), then subtracting the **Expected Family Contribution**.

Students should not dismiss a college simply because it appears to be out of financial reach. Attending an expensive college may be feasible if a school offers a financial award package that can cover all of a student's financial need.

Since financial aid packages vary among colleges, students need to compare award letters side by side using a worksheet to calculate what their financial responsibility would be at each school. They do this by subtracting all grants and scholarships (known as 'gift aid' since they are not repaid) from the total cost of attendance. Next, they consider how much of the remaining cost can be offset by loans. (For the purposes of this lesson, work-study is not included in this calculation, since it is paid out for work completed during the year and isn't available for direct costs at the beginning of the year.) The amount that is not covered is referred to as the "gap." If the gap can't be covered by work-study, family contributions, and/or part-time work, students need to consider other school choices, or consider appealing to the school for more aid.

VOCABULARY

Expected Family Contribution (EFC): An estimate of how much a student and his/her family can afford to pay for college for the next school year, determined by completing the FAFSA.

Financial Awards Letter: A letter from a college to which a student has been accepted that provides the details of his or her financial aid package, including grants, loans, and work study.

Financial Need: The amount of financial aid a student is eligible for, calculated by subtracting Expected Family Contribution from Total Cost of Attendance.

Financial Aid Package: The total amount of financial aid offered to a student to assist in funding his or her higher education. The sources of aid include federal and non-federal grants, loans, and work-study.

Gap: The amount a student is financially responsible for that is not accounted for by financial aid (loan, grant, scholarship).

Total Cost of Attendance: All expenses for college, including tuition and fees, books and supplies, room and board, personal expenses, and transportation.

IMPLEMENTATION OPTIONS

You may find that the information presented in this lesson is too much for a single class period, or overwhelming to your students. You may prefer to complete **Activity II, Financial Aid Awards At-A-Glance**, and **Activity III, Comparing Financial Aid Awards**, as a whole class rather than in pairs. Or, for **Activity III, Comparing Financial Aid Awards**, you might opt to complete the “College 1” column for University of Tampa as a whole class. Then have students fill in information for “College 2” in the same pairs as **Activity II**.

If few of your students are considering multiple schools, a line-by-line review of a single award letter may be most appropriate. (Students should be able to calculate Total Cost of Attendance and compare with financial aid offered at a particular school.)

Time considerations and/or student anxiety about debt may make a complete discussion of student loans difficult or inadvisable. If so, you may wish to skip **Activity III, Comparing Financial Aid Awards, steps 5 - 8**. Instead, call students’ attention to the student loan calculator available at <http://www.finaid.org/calculators/loanpayments.phtml> and review the expert recommendation re: loan amounts at the bottom of page 369.

For **Activity IV, Wrap Up**, if time permits, have students read the **Student Handbook page 114, Tips for Calling Financial Aid Office** to themselves. Then select a student to role-play making a call to appeal the financial aid package offered by Tulane.

ACTIVITY STEPS

I. Warm Up (5 minutes)

1. [As students enter the classroom, ask them to complete **Student Handbook page 109, Financial Aid Match Up.**]
2. [Give students a few minutes to complete the handbook page.]
3. **SAY SOMETHING LIKE:** In the next few weeks, many of you will be receiving letters from colleges letting you know whether or not you've been accepted for admission next fall. If you receive more than one acceptance letter, you'll need to figure out which college you want to attend. You should check your acceptance letters carefully and note the deadline for each school.

One important factor in your decision will be the amount of financial aid the school can offer, and whether you can afford to attend. That's what we'll be discussing today.

But first, let's review the four types of aid, and how you chose to allocate the amounts in the problem posed on **Student Handbook page 109, Financial Aid Match Up.**

4. [Display **Student Handbook page 109, Financial Aid Match Up** using an overhead projector. Ask students to explain their answers, which should include the following ideas:

There are four sources of financial aid. Grants and scholarships are known as "gift aid" because you do not repay them. This is why you want your largest sources of aid to come from grants and scholarships. You should have matched one \$7,500 to grants and the other to scholarships. Since you must repay loans, it's wise to assign \$500 to this category. This leaves you with \$2,500 to allocate to work-study. Under this scenario, you need to repay only a \$500 loan, which leaves you with the lowest debt.]

[As students explain their answers, fill in the correct amounts on the overhead projector.]

II. Financial Aid Awards At-A-Glance (10 minutes)

1. **SAY SOMETHING LIKE:** Once you've been accepted for admission, schools will send you a financial aid award letter that explains the type of aid you're being offered. (If you've applied for financial aid, but have not received an award letter, check with your college financial aid office to make sure your records are complete.)

In the best of all possible worlds, the school you most want to attend will offer you all the financial aid you need. In the real world, however, this may not happen. Instead, you will likely receive offers of varying amounts from the schools to which you applied. How do you decide which of several financial aid offers to accept?

2. [Have students open to **Student Handbook pages 110-112, Award Letters.**]

SAY SOMETHING LIKE: Take a look at the award information from two schools — one from Tulane University and the other from The University of Tampa. These are actual letters received by a student who applied to both schools. He really, really wanted to attend Tulane, but wasn't sure he'd be able to afford it.

With a partner, please review the award information for both colleges. In the margins of each letter, list the positives (pros) and the negatives (cons) that you notice, as well as any questions you have. How would you advise this student? You have 10 minutes to decide.

3. [After students have reviewed the letters, list students' considerations — their pros and cons for each school — and why (e.g., "Pro: Tulane offers larger grants.)]
4. **SAY SOMETHING LIKE:** Comparing financial aid awards can be challenging when each school presents its offer in a different form. In the next activity, you'll use a worksheet to compare financial aid awards side by side.

III. Comparing Financial Aid Awards (20 minutes)

1. [Have students turn to **Portfolio pages 10-13, Financial Aid Comparison Worksheet** and project a copy on the overhead. (See **IMPLEMENTATION OPTIONS** if you think your students will have difficulty completing this in pairs.)]
2. **SAY SOMETHING LIKE:** Now let's consider the information in the awards letters more systematically. Working in the same pairs, you'll list the information for both colleges side by side. Be sure to write the name of each college in the space at the top.

Cost of Attendance

First, you'll calculate the cost of attendance at each school. Direct costs refer to the amount paid to the school in order to register or stay enrolled. It includes tuition, room and board, and other registration fees.

Indirect costs refer to other items, including books, travel to and from school, and other personal expenses. In this example, we'll ignore the costs of travel to and from school.

This is something you'll need to consider when completing calculations for the schools you wish to attend.

The University of Tampa does not provide costs for books or personal items. Use \$2,000 as an estimate for the total.

When you're doing this for your own school, be careful to include costs for a whole year. If costs are listed by semester, you'll need to multiply by two. If costs are listed by quarter, and you're attending fall, winter, and spring quarters, you'll need to multiply by three.

Cost of attendance is the sum of the direct and indirect costs.

Grants & Scholarships

Next, you'll list each type of free aid offered — both grants and scholarships. If you were using this worksheet for your own financial aid calculations, you would enter the total of any outside/private scholarships under both schools. These may not appear on your award letter, as they're awarded by outside organizations and may be applied wherever you attend. (If your scholarships are restricted to the school you attend, for example, schools in North Dakota only, enter only under the colleges to which they apply.)

Because the student in this example planned to attend schools in another state, he wasn't eligible for North Dakota grants. Your situation may be different.

Work-Study

Next, you'll enter the amount of work-study offered. Note that work-study is considered as a separate category because the full work-study amount is not available at the beginning of the year. Instead, students receive periodic paychecks based on the number of hours worked each week. Work-study aid should be applied to indirect costs, such as travel and other personal expenses, which occur throughout the year.

Loans

Finally, you'll enter each loan.

The Gap

When you've entered all of the financial aid information, calculate your total financial aid from each school by adding lines 4 (total grants & scholarships) and 6 (total loans)

together. (For the reasons described above, don't include work-study in this total.)

Subtract total financial aid from the total cost of attendance to calculate the "gap" – the amount for one year of college that's not covered by financial aid. Stop there. We'll complete the last two sections together.

3. [Give students 10 minutes to complete the chart. Circulate, helping students as needed. Once they've completed calculations through the gap, have students regroup for further instructions.]
4. [When the class has completed their charts, have them open to **Student Handbook page 113, Financial Aid Considerations** and project a copy on the overhead. Discuss students' findings by reading aloud each question and choosing different students or pairs to answer. Items to note:

Is this school a viable choice?

- Financial aid nearly covers the student's expenses at Tampa. In fact, the aid provided by work-study will compensate for the gap. One thing students would still need to consider is the airfare back and forth from Florida several times a year, which is not included in the current calculations.
- With a gap of \$35,970, Tulane is out of the running. (More about this below.)

Is there anything offered by one school that's not offered by the other?

- In the real-life situation on which these letters are based, the student was resigned to going to Tampa, his second choice. But his counselor noticed that there were significant grants and scholarships missing from Tulane's awards (smaller SEOG, and no institutional grant), and wondered if this was a mistake. The student and counselor called the school to appeal, and discovered that the student was entitled to more aid than appeared on his letter. Once the mistake was corrected, he was able to attend Tulane, after all. (More about this in the next activity.)

5. [Ask students to return to **Student Handbook page 113, Financial Aid Considerations**, before answering the questions about student loans.]

SAY SOMETHING LIKE:

- What is the total amount in loans over the course of four years? To answer that question about loans, let's take a look at the last two sections on **Portfolio page 11 (or 13), Financial Aid Comparison Worksheet**. Question 9 asks you to calculate your financial responsibility for one year by subtracting grants and scholarships

from total cost of attendance. The remainder is the amount to be covered in loans and any other money you and your family are able to set aside for school.

[Allow students to calculate this amount.]

6. **SAY SOMETHING LIKE:** As you can see, this student will need to contribute a significant amount of money — now or later, as loans that have to be paid off — to go to either of these schools. For the moment, we’re going to consider all of this as money to be borrowed, since we have no idea what kind of money he’s able to contribute during the school year. We’ll multiply his total financial responsibility times four, the number of years he’ll spend in school.

[Allow students to calculate this amount.]

Now let’s see how long it might take to pay off each loan, and what the monthly payments might be.

[Model how to calculate monthly loan payments as follows. Use your laptop and LCD to access and display the online loan calculator at FinAid’s web site: <http://www.finaid.org/calculators/loanpayments.phtml>.]

SAY SOMETHING LIKE: In the “Loan Balance” field, we’ll type in the amount on line 10 for Tampa, \$51,392. Although interest rates vary according to the type of loan, we’ll use the default setting of 6.8%. We’ll leave the loan term as 10 years.

[Click “Calculate,” and point out the monthly loan payment in bold to the class: \$591.42. Explain that this is the amount they will pay on this specific loan each month for 10 years. Note that this would be a heavy burden for someone working at an entry-level job, and re-calculate using a term of 25 years, which results in a monthly payment of \$356.70.]

7. [Repeat steps above for Tulane’s loan, which should yield the following numbers.
Total Financial Responsibility for four years: \$173,880.
Monthly loan payment at 6.8% for 10 years: \$2,001.02.
Monthly loan payment at 6.8% for 25 years: \$1,206.85.]

8. **SAY SOMETHING LIKE:**
- Is this a financial burden you or your family is willing to bear? Note that without the additional aid offered, Tulane would have been out of the question. And even the more reasonably-priced Tampa leaves the student in a lot of debt.

Experts recommend that your total education debt should be less than your starting salary. If you borrow more than twice your expected starting salary, you will find it extremely difficult to pay the debt.

9. **SAY SOMETHING LIKE:** You can use **Portfolio pages 10-13, Financial Aid Comparison Worksheet** to compare the financial aid packages offered by schools you hope to attend. [Point out the lines devoted to state grants and remind students of the grants they may be eligible for in your state.]

To compare financial aid awards accurately, you'll need all the information and numbers as listed on the worksheet you just completed. Make sure you know whether each award from your college is a one-time offer, or is renewable each year. If any information is missing, unclear, or inaccurate, call the college's financial aid office. In fact, it's a great idea to call the financial aid office before you have questions or problems. Identify yourself, and ask if there is a particular counselor you should talk to when you have questions. Write down the name of your contact, and keep it so you can ask specifically for that person when questions arise. Before making a call, review **Student Handbook page 114, Tips for Calling Financial Aid Office**.

IV. Wrap Up: Next Steps (10 minutes)

SAY SOMETHING LIKE: After comparing your financial aid awards, there are different steps you might take, depending on what you discovered. [Pose the following situations, and ask students for suggestions on what to do next. Recommended actions follow each scenario.]

- **SITUATION:** The college you most want to attend offers significantly less financial aid than others (e.g, omitting a grant for which you are eligible, or not offering institutional aid).
ACTION: Appeal to the college for more aid by contacting the financial aid officer assigned to your case. For details on how to appeal, read **Student Handbook pages 115-116, Appealing a Financial Aid Package**. [Review this material if time permits. See **IMPLEMENTATION OPTIONS** for details.]
- **SITUATION:** The “gap” (your financial responsibility) is too big to be met by reasonable loans, family contributions, and the work-study offered.
ACTION: If work-study isn't part of your financial aid package, consider taking a part-time job to close the gap enough to make the school affordable. If the gap between your financial need and the available financial aid is too wide, consider less expensive options, for example, beginning at a community college and transferring after two years.

- SITUATION:** The financial aid awards will cover your cost of attendance. You can afford to attend the college!

ACTION: Most financial aid awards include instructions at the end of the letter. Some schools will include a Data Change Form to select or decline individual awards within the total package. (For example, you may prefer not to accept the loans offered.) Other schools may simply ask that you draw a line through the awards you are declining and return a copy of the letter within a certain number of days. Still other schools may assume that you fully accept the awards unless you submit changes immediately. Be sure to read each letter carefully to find out what procedures to follow. Always keep a copy of the letter and other forms for your files.

This concludes our lesson on financial aid. You're in the home stretch of the college selection process. You'll be making your college decisions over the next few weeks, and will want to discuss your options with your parents and other trusted adults. If you have unanswered questions, please don't hesitate to ask me for help.

Next week, we'll return to [name the unit already in progress].

SKILLS CHECKLIST

Direct students' attention to **Portfolio pages 19-22, Grade 12 Skills Checklist**. Have students complete the skills checklist questions for financial aid skills.

FINANCIAL AID

I can ...

Rate the merits and drawbacks of different kinds of financial aid.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well
Find and apply for scholarships suited to my needs.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well
Use an online tool to calculate the monthly payments on a student loan.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well
Understand the consequences of defaulting on a student loan.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well
Complete the FAFSA.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well
Compare financial aid awards from two or more schools.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well

Financial Aid Comparison Worksheet Answers

College 1: _____ College 2: _____

Total Cost Of Attendance	College 1	College 2
Tuition	19,700	36,610
Room and board	7,616	8,690
Fees	982	included in Tuition
Other costs: _____		
1. Direct Costs Subtotal: add above three lines. This is the amount you owe the school in order to register/stay enrolled.	28,298	45,300
Books		900
Travel	variable	variable
Personal expenses & miscellaneous		930
2. Indirect Costs Subtotal: add above three lines	2,000 estimated	1,830
3. Total Costs Add #1 and #2	30,298	47,130

Grants and Scholarships	College 1	College 2
Pell Grant (federal)	3,000	3,160
SEOG: Supplemental Educational Opportunity Grant (federal)	1,600	500
State grant:		
State grant:		
Institutional Grants (from college; add all together)	12,850	
Outside/private scholarships (add together)		
4. Total Grants/Scholarships: Add all amounts, above six lines	17,450	3,660

Work-Study*	College 1	College 2
5.	2,000	2,500

* **Note:** Work-study funds are earned throughout the year. Make sure the number of work-study hours are reasonable for a full-time student, and don't count on these funds for anything other than personal expenses, since they won't be available at the beginning of the year.

Loans	College 1	College 2
Perkins	1,100	4,000
Subsidized Stafford	3,500	3,500
Unsubsidized Stafford		
PLUS	7,100	
Other _____		
6. Total Loans: Add all loan amounts, above five lines	11,700	7,500

College 1: _____ College 2: _____

The Gap	College 1	College 2
7. Total Financial Aid Awards, not including work-study (Add lines 4 and 6)	29,150	11,160
8. The Gap: Cost of Attendance – Financial Aid Awards, not including work-study (Line 3 – Line 7)	1,148	35,970

Your Financial Responsibility**	College 1	College 2
9. Your Financial Responsibility: Total cost – grants/scholarships (subtract line 4 from line 3)	12,848	43,470

**This does not include eventual interest you will pay on any loans you may take.

Projected Cost -- All College Years***	College 1	College 2
10. Your Total Financial Responsibility: Financial Responsibility x Number of Years in College (Line 5 x 4)	51,392	173,880
11. Your Monthly Financial Responsibility: Using a loan calculator, which can be found at http://www.finaid.org/calculators/loanpayments.phtml , determine what #10 (your total financial responsibility) would equal in monthly payments.	<i>Varies with terms of the loan. At 6.8 interest, monthly payment is 591 over 10 years, or 357 over 25 years.</i>	<i>Varies with terms of the loan. At 6.8 interest, monthly payment is 2,001 over 10 years, or 1,207 over 25 years.</i>

***This is an estimate, as the cost of attendance will increase each school year.

According to www.finaid.org:

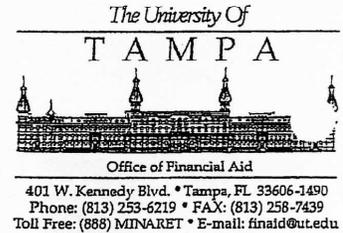
Your total education debt should be less than your starting salary. If you borrow more than twice your expected starting salary, you will find it extremely difficult to pay the debt. Live like a student while you are in school, so you don't have to live like a student after you graduate.

SOURCE: College Access Professional Development Institute, OPTIONS Center for Education and Career Choice, Goddard Riverside Community Center, www.goddard.org

Financial Aid Match Up

1. Imagine that a school has offered you aid in the following amounts: \$7,500 for one kind of aid; \$7,500 for another kind of aid; \$2,500 for the third kind; and \$500 for the fourth. In the second column, list one of these amounts next to each type of aid. Make the choices that will provide the best financial advantages.
2. In the third column, explain your choices.

Aid Type	Aid Amount	Explain Your Choice
Grant		
Scholarship		
Work-study		
Loan		



Dear _____
Based on the information you provided, The University of Tampa is pleased to offer this award package for the 2007-2008 academic year.

FINANCIAL AID AWARD LETTER
2007- 2008

Type of Aid	FA2007	SP2008	Total
Academic Comp. Grant YR1	375.00	375.00	750.00
Fed. Work Study Program	1,000.00	1,000.00	2,000.00
PLUS-Parent loan elig.	3,550.00	3,550.00	7,100.00
Sub Federal Student Loan	1,750.00	1,750.00	3,500.00
Federal Pell Grant	1,500.00	1,500.00	3,000.00
Federal Perkins Loan	550.00	550.00	1,100.00
UT Presidential Scholar	4,250.00	4,250.00	8,500.00
Federal SEOG Grant	800.00	800.00	1,600.00
UT Need Based Grant	1,800.00	1,800.00	3,600.00
Total Awarded Funds	15,575.00	15,575.00	31,150.00

It is important that you read the detailed information provided about each of the aid programs listed above. *PLUS-- Parent loan eligibility * This loan, and all loans listed are optional. **The PLUS loan MUST be applied for and is credit based.** Please review the information provided regarding this loan.

If the information you provided is not accurate, this package may change upon receipt of correct information. We are required by law to include all educational resources in your package, including those funds not administered directly by The University of Tampa.

2007- 2008 AVERAGE DIRECT COSTS

Budget Item	FA2007	SP2008	Total
Standard Fees	491.00	491.00	982.00
Meal Expense Average	1,770.00	1,770.00	3,540.00
Room - Average	2,038.00	2,038.00	4,076.00
Tuition	9,850.00	9,850.00	19,700.00
Total Budgeted Funds	14,149.00	14,149.00	28,298.00

The above costs are an average. **This is NOT an invoice.** Your actual billing statement will be sent to you by the Bursar's Office, beginning mid July 2007 for the fall semester. **Further action is required on your part to secure the above noted funds. Secured funds will be reflected on the billing statement.**

To receive the funding from the above sources, you must submit the following documents. Funds can not be disbursed to your account if your financial aid file is incomplete. ****NOTE:** Not all documents may be included at this time.

- Perkins Loan Paperwork Bursar Office
- Loan Entrance Counseling & Student Refund Authorization Form
- Student Loan Questionnaire to initiate Sub Unsub
- Parent & Student Federal IRS 1040 Tax Return year 2006
- FAFSA Worksheet A,B,C & Verification Worksheet - Dependent

To reserve these funds, sign and return a copy of this letter within 21 days of receipt. If you wish to decline any individual award(s) please indicate this by drawing a line through the award(s). If you will be enrolling at The University of Tampa for the **first time** during the Fall 07 term, and have not already paid an admissions deposit of \$200, please submit the deposit with your award acceptance.

This award was based on your housing plans as reported on the FAFSA, or on assumptions we made based on your dependency status and state of residency. Please confirm your housing plans by circling the appropriate description listed below. If your housing plans have changed or our assumptions are inaccurate your award may be adjusted to reflect the change in your anticipated direct costs.

During 2007-2008 I plan to live (circle one): On-campus With Parent Other(specify)

Student signature _____

Date _____

TULANE University

Award information for Academic Year 2007-2008

Award Offers - Awaiting your reply

Award Type	Fall 2007	Spring 2008	Total
FEDERAL WORK STUDY AWARD	1250.00	1250.00	2500.00
<u>Additional Information for Award Shown Above</u>			
STAFFORD LOAN SUB/UNSUB ELIGIBILITY	1750.00	1750.00	3500.00
<u>Additional Information for Award Shown Above</u>			
SUPPLEMENTAL EDUC OPP GRANT	250.00	250.00	500.00
<u>Additional Information for Award Shown Above</u>			
PERKINS LOAN	2000.00	2000.00	4000.00
<u>Additional Information for Award Shown Above</u>			
ESTIMATED PELL GRANT	1580.00	1580.00	3160.00
<u>Additional Information for Award Shown Above</u>			
Total Awards Offered	6,830.00	6,830.00	13,660.00

Tulane Cost of Attendance

Full-Time Undergraduate Students

The following is the 2007-2008 cost of attendance for undergraduate students enrolled full-time in one of the full-time divisions (Newcomb-Tulane College , School of Architecture , A.B. Freeman School of Business, School of Science and Engineering and School of Liberal Arts):

	Freshman Resident
Tuition and Fees	\$36,610
Room	\$5,140
Board	\$3,550
Books	\$900
Transportation	Variable
Miscellaneous	\$930
TOTAL	\$47,130 + transportation

SOURCE: <http://www.tulane.edu/~finaid/idxcoa0708.htm>

Financial Aid Considerations

- 1) What's the gap between aid and cost of attendance? Is this school a viable choice? Why or why not?

- 2) How does the aid offered by each school compare?

- Is anything offered by one school that's not offered by the other? (possibility of appeal)

- What's the total amount in loans over the course of four years? (What will the monthly payments be? Use the loan calculator at FinAid website: <http://www.finaid.org/calculators/loanpayments.phtml>)

- Is this a financial burden you or your family is willing to take on?

- What portion of the aid is in work-study? Since money is paid in exchange for the student's work, it will not be available for direct expenses (such as tuition and room & board) at the beginning of the year, and is best reserved for monthly, or indirect expenses. Is this do-able?

- 3) How do other considerations, like the strength of the academic program or the school's location, factor in?

Tips for Calling a Financial Aid Office

- Always find out the name of the person you are talking to and write it down.
- Keep a log of every phone conversation, including what the person told you.
- Make sure you understand what the person is telling you. If you do not understand, ask for clarification.
- If you have had previous conversations with someone in the financial aid office, or if you know the financial aid officer assigned to your file, ask for that person. Building a relationship with one financial aid officer can help you avoid misunderstandings and get the most accurate information.
- When asking questions about a specific document, have a copy of that document in front of you.
- Have your Social Security number handy. Most colleges identify applicants by their Social Security number.
- Confirm that the financial aid officer you are speaking with has your actual file in front of him or her, so that the information they provide is not hypothetical, but referring directly to your case.

SOURCE: College Access Professional Development Institute, OPTIONS Center for Education and Career Choice, Goddard Riverside Community Center, www.goddard.org

Appealing a Financial Aid Package

Students and families often want to know if they can appeal to a college for more financial aid. Our answer is that it is probably worth a try. With college costs increasing at a faster rate than grant aid, the question of whether and how to appeal is becoming increasingly complex and sensitive. If you are not sure whether you should try to appeal, here are some basic guidelines. You should consider appealing if:

- Your financial or family circumstances have changed since you filled out your financial aid applications or are soon going to change. (ex. *death, divorce, disability, job loss, large medical expenses, or natural disasters*);
- There are financial or family circumstances that affect your family's ability to pay for college that were not clear on your financial aid applications. (ex. *day care expenses, excessive debt due to a business failure*);
- You are eligible for all types of aid, but were not packaged for particular types at a college;
- You have unusual expenses, which will make it more costly for you than for other students to attend a college (ex. *extraordinary transportation costs*); or
- You received a better package at a comparable college.

Whom to Appeal to

Your first step should be to work with the financial aid officer assigned to work with you. If you are getting nowhere and you really believe you have a case, contact the director of financial aid. It's important to be courteous if you ask to speak to the director of financial aid. (You're asking to speak to the financial aid officer's boss, and getting angry or hostile won't help.) You could also try the staff in charge of special interests — for example, if you are EOP eligible, your EOP director may be able to help you.

How to Appeal

Take the time to learn what will help (or hurt) your case. The phrase “you can attract more flies with honey than vinegar” sums up the best approach to appealing your financial aid packages. It will help your case to approach the financial aid officers in a calm and respectful manner.

If you truly feel some part of your award should be changed, then contact your financial aid officer and do so with sound reason and documentation. In most cases, financial aid officers say that a telephone call is the best initial way to discuss financial aid packages. After a phone call, letters may be necessary to document your situation or to provide further explanation.

If you try to appeal your financial aid package, you will likely be asked to document your claims. So, be ready with any letters or forms requested by the college.

Tips for Letter writing

- Always put your name, Social Security number, addresses, and telephone number on your correspondence;
- Try to be brief and to the point;
- Keep copies of anything you send;
- If you fax a letter, you may also need to send the original in the mail; and
- Call to make sure the office received your letter and that it was placed in your file.

SOURCE: College Access Professional Development Institute, OPTIONS Center for Education and Career Choice, Goddard Riverside Community Center, www.goddard.org

Financial Aid Comparison Worksheet: Year 1

College 1: _____ College 2: _____

Total Cost Of Attendance	College 1	College 2
Tuition		
Room and board		
Fees		
Other costs: _____		
1. Direct Costs Subtotal: add above three lines. This is the amount you owe the school in order to register/stay enrolled.		
Books		
Travel		
Personal expenses & miscellaneous		
2. Indirect Costs Subtotal: add above three lines		
3. Total Costs Add #1 and #2		

Grants and Scholarships	College 1	College 2
Pell Grant (federal)		
SEOG: Supplemental Educational Opportunity Grant SEOG (federal)		
State grant:		
State grant:		
Institutional Grants (from college; add all together)		
Outside/private scholarships (add together)		
4. Total Grants/Scholarships: Add all amounts, above six lines		

Work/Study*	College 1	College 2
5.		

* **Note:** Work/study funds are earned throughout the year. Make sure the number of work/study hours are reasonable for a full-time student, and don't count on these funds for anything other than personal expenses, since they won't be available at the beginning of the year.

Loans	College 1	College 2
Perkins		
Subsidized Stafford		
Unsubsidized Stafford		
PLUS		
Other _____		
6. Total Loans: Add all loan amounts, above five lines		

College 1: _____ College 2: _____

The Gap	College 1	College 2
7. Total Financial Aid Awards, not including work/study (Add lines 4 and 6)		
8. The Gap: Cost of Attendance – Financial Aid Awards, not including work/study (Line 3 – Line 7)		

Your Financial Responsibility**	College 1	College 2
9. Your Financial Responsibility: Total cost – grants/scholarships (subtract line 4 from line 3)		

**This does not include eventual interest you will pay on any loans you may take.

Projected Cost -- All College Years***	College 1	College 2
10. Your Total Financial Responsibility: Financial Responsibility x Number of Years in College (Line 5 x 4)		
11. Your Monthly Financial Responsibility: Using a loan calculator, which can be found at www.finaid.org/calculators/loanpayments.phtml , determine what #10 (your total financial responsibility) would equal in monthly payments.		

***This is an estimate, as the cost of attendance will increase each school year.

According to www.finaid.org:

Your total education debt should be less than your starting salary. If you borrow more than twice your expected starting salary, you will find it extremely difficult to pay the debt. Live like a student while you are in school, so you don't have to live like a student after you graduate.

SOURCE: College Access Professional Development Institute, OPTIONS Center for Education and Career Choice, Goddard Riverside Community Center, www.goddard.org

Financial Aid Comparison Worksheet: Year 1

College 1: _____ College 2: _____

Total Cost Of Attendance	College 1	College 2
Tuition		
Room and board		
Fees		
Other costs: _____		
1. Direct Costs Subtotal: add above three lines. This is the amount you owe the school in order to register/stay enrolled.		
Books		
Travel		
Personal expenses & miscellaneous		
2. Indirect Costs Subtotal: add above three lines		
3. Total Costs Add #1 and #2		

Grants and Scholarships	College 1	College 2
Pell Grant (federal)		
SEOG: Supplemental Educational Opportunity Grant SEOG (federal)		
State grant:		
State grant:		
Institutional Grants (from college; add all together)		
Outside/private scholarships (add together)		
4. Total Grants/Scholarships: Add all amounts, above six lines		

Work/Study*	College 1	College 2
5.		

* **Note:** Work/study funds are earned throughout the year. Make sure the number of work/study hours are reasonable for a full-time student, and don't count on these funds for anything other than personal expenses, since they won't be available at the beginning of the year.

Loans	College 1	College 2
Perkins		
Subsidized Stafford		
Unsubsidized Stafford		
PLUS		
Other _____		
6. Total Loans: Add all loan amounts, above five lines		

College 1: _____ College 2: _____

Grade 12, Financial Aid 6: Comparing Financial Aid Awards
Portfolio, Financial Aid Comparison Worksheet

The Gap	College 1	College 2
7. Total Financial Aid Awards, not including work/study (Add lines 4 and 6)		
8. The Gap: Cost of Attendance – Financial Aid Awards, not including work/study (Line 3 – Line 7)		

Your Financial Responsibility**	College 1	College 2
9. Your Financial Responsibility: Total cost – grants/scholarships (subtract line 4 from line 3)		

**This does not include eventual interest you will pay on any loans you may take.

Projected Cost -- All College Years***	College 1	College 2
10. Your Total Financial Responsibility: Financial Responsibility x Number of Years in College (Line 5 x 4)		
11. Your Monthly Financial Responsibility: Using a loan calculator, which can be found at www.finaid.org/calculators/loanpayments.phtml , determine what #10 (your total financial responsibility) would equal in monthly payments.		

***This is an estimate, as the cost of attendance will increase each school year.

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Your total education debt should be less than your starting salary. If you borrow more than twice your expected starting salary, you will find it extremely difficult to pay the debt. Live like a student while you are in school, so you don't have to live like a student after you graduate.

SOURCE: College Access Professional Development Institute, OPTIONS Center for Education and Career Choice, Goddard Riverside Community Center, www.goddard.org

