

Digital Tech College & Career Readiness Series

Financial Aid Resources

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Hi everyone, my name is Candice and I'm a financial aid counselor at George Washington University. I got my bachelor's in management from Virginia Tech back in 2014, and I'm currently in my last semester of the MBA program at GW.

As a first generation college student, I can distinctly remember how intimidated I was by the financial aid process at first, so I'm really excited to be working with Capital Collab to bring you some information and resources you'll need as you start applying for schools.

What we'll be going over today is an overview of the application process, some general terms that you'll want to be familiar with, and different types of financial aid. So, without further ado, let's get started.

One of the first things that you want to be familiar with is the budget, sometimes referred to as the cost of attendance. This is not the bottom line of what you owe but rather its an estimate of what it may cost to live and study at that particular institution.

So, the breakdown is as follows. We have direct costs like tuition fees, room and board, which will be paid directly to the school, and then you have indirect costs. So take textbooks for example. You don't necessarily have to buy them from the bookstore. You can buy them or rent them online, or you can even buy them secondhand. And then, other types of indirect costs would be personal expenses or transportation costs like getting back and forth between home and campus during school breaks. Now, this number can vary widely from school to school. So it's really important to be checking that school's website for more information.

In order to apply for financial aid, the first thing you want to do is complete the FAFSA. This application collects demographic and financial information about you and your parents to create an Expected Family Contribution (or EFC as it's commonly called). The EFC is used by your schools to determine your eligibility for federal financial aid.

There is an option on the FAFSA called the IRS Data Retrieval Tool, which allows you to transfer data directly from the IRS to the FAFSA in a secure manner. Please keep in mind that not all filing statuses are able to do the transfer, so you will want to go ahead and gather any tax documents you have before you start doing the application. Also keep in mind that the FAFSA doesn't actually ask you questions regarding the most recent tax year. So for instance, if you're a senior applying for colleges in this upcoming fall 2021 school year, you want to gather any tax documents from the 2019 school year.

Near the end of the FAFSA application, it will ask you which schools you want to receive your application, and it will give you the option to add up to 10 different schools. Once you sign and submit the application, it will then send your application directly to those schools.

Some schools, mostly private schools, also require you to complete what's called a CSS Profile from the College Board website, which measures your eligibility for institutional aid. This application asks a lot of the same questions as the FAFSA, but it goes a little bit more into detail. There's also a separate application for families who are separated or divorced, where the non custodial parent can complete what's called a "household B" application.

While the FAFSA is free, the CSS Profile has an application fee of \$25 for the first school and \$16 for each school thereafter. There is a fee waiver, and it will be directly applied to your account if you qualify. As you go through the application process, the profile also gives you the option to upload your tax documents directly to their website, through an application called by IDOC, and if your prospective school participates in it, then they'll have access to your documents through the College Board website. Now remember, not every school requires the CSS Profile. Of the schools that do require it, not all require the noncustodial parent information. You can check the link on their website to see if your school requires it.

Since the FAFSA and profile do not require the most recent tax information, current circumstances are not always accurately reflected. With that said, most schools do actually have an appeals process, where you can submit documentation and discuss any extenuating circumstances you have such as extensive medical bills, loss or reduction of income, or a change in marital status, and your financial aid office may be able to reevaluate your situation, to see if you qualify for more aid. If one of these situations applies to you, I would advise you to check out their website for instructions on how to appeal.

So now that we've gone over the two main aid applications, what exactly is financial aid? Financial aid is the funding provided to students and families to help pay for educational expenses. And the two main categories are *gift aid*, which is basically free money that you don't have to pay back like grants and scholarships. And then there's *self-help aid*, which are things like student loans and federal work study positions. Now, grants are need based, and your eligibility is determined directly by your expected family contribution from the FAFSA. So some examples of federal grants would be the Federal Pell Grant, and the Supplemental Opportunity Grant. Many schools will also have their own institutional grants that you may be eligible for. Scholarships, on the other hand, are merit based and can be provided by colleges, private employers, and other third parties. Federal Work Study is a need-based program that helps provide part-time jobs to students to help earn money to pay for college.

And lastly, the two types of federal loans are the direct subsidized loan and the unsubsidized loan. And the main difference between these two is that the subsidized loan is a need-based loan, and therefore the interest is actually deferred until after you graduate, or until you fall

below half-time enrollment, whereas the unsubsidized loan actually starts accruing interest as soon as it pays towards your expenses. These federal loans have yearly limits based on your grade level. So a first-year dependent student is eligible for a total of \$5,500, a second-year student is eligible for \$6,500, and third-and fourth-year students are eligible for \$7,500.

Now, you don't have to accept these loans, but if you do, there are two additional requirements that you'll need to complete, which are the Master Promissory Note and the entrance counseling session. The Master Promissory Note is a legal document signing that you promise to pay back the loan. And the entrance counseling session is a tutorial to help you understand your rights and responsibilities--things like the interest rates repayment periods, and how to avoid delinquency.

Now if you need more funding above what is provided to you by the financial aid office, your two options are a Parent PLUS loan, and a private alternative loan. A Parent PLUS loan is a federal loan available to parents of dependent students, and they can apply online at studentaid.gov, and they'll receive an email within 48 hours letting them know if they were approved or denied for the loan. If you decide to go with a private lender, we recommend shopping around and checking with several lenders to make sure you're getting the best rate. Once you apply with your lender, the certification request will be sent directly to the school. Lastly, most schools offer a payment plan which allows you to spread the remaining charges over the course of several months.

Please remember that the information in this video can vary from school to school. So you'll want to check each school's website to make sure that you're meeting their requirements and their deadlines. I hope you're feeling a bit more comfortable as you start applying for colleges. And just remember, there are always representatives at FAFSA and College Board to help you if you get stuck on their applications, and your high school counselors and your prospective schools will be happy to help you. We wish you the very best of luck as you start this new and exciting journey. Thanks for watching.