



College Funding 101

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College is an Investment

Average Annual Income

- High School Diploma \$32,188
- Associate Degree \$39,884
- Bachelor's Degree \$53,976

That's \$21,788 dollars annually

Source: U.S. Bureau of Labor Statistics Current Population Survey 2010

Choosing a College

- What are the graduation statistics?
- What are my out of pocket expenses?
- **Do I have the financial resources for this school?**

All schools are required to have a
net price calculator by
Oct 29, 2011

Cost of Attendance (COA)

The Cost of Attendance considers all cost associated with a student's enrollment at a particular college or university.

Components include:

- Tuition and fees
 - Room and board
 - Books and supplies
 - Transportation
 - Miscellaneous
- Direct Costs
- Indirect Costs
-
- ```
graph LR; TC[Tuition and fees] --> DC[Direct Costs]; RB[Room and board] --> DC; BS[Books and supplies] --> IC[Indirect Costs]; TR[Transportation] --> IC; M[Miscellaneous] --> IC;
```

Based on a student's:

- Enrollment status
- Living arrangements
- State residency status

# Cost of Attendance (cont..)

## Typical Costs for an In-State Resident Hall Student at Radford University

2010 - 2011 school year

|                    |          |
|--------------------|----------|
| Tuition and Fees   | \$7,694  |
| Room and Board     | \$7,098  |
| Books and Supplies | \$1,100  |
| Personal Expenses  | \$1,900  |
| Travel Expenses    | \$1,000  |
| <hr/>              |          |
| Total              | \$18,792 |

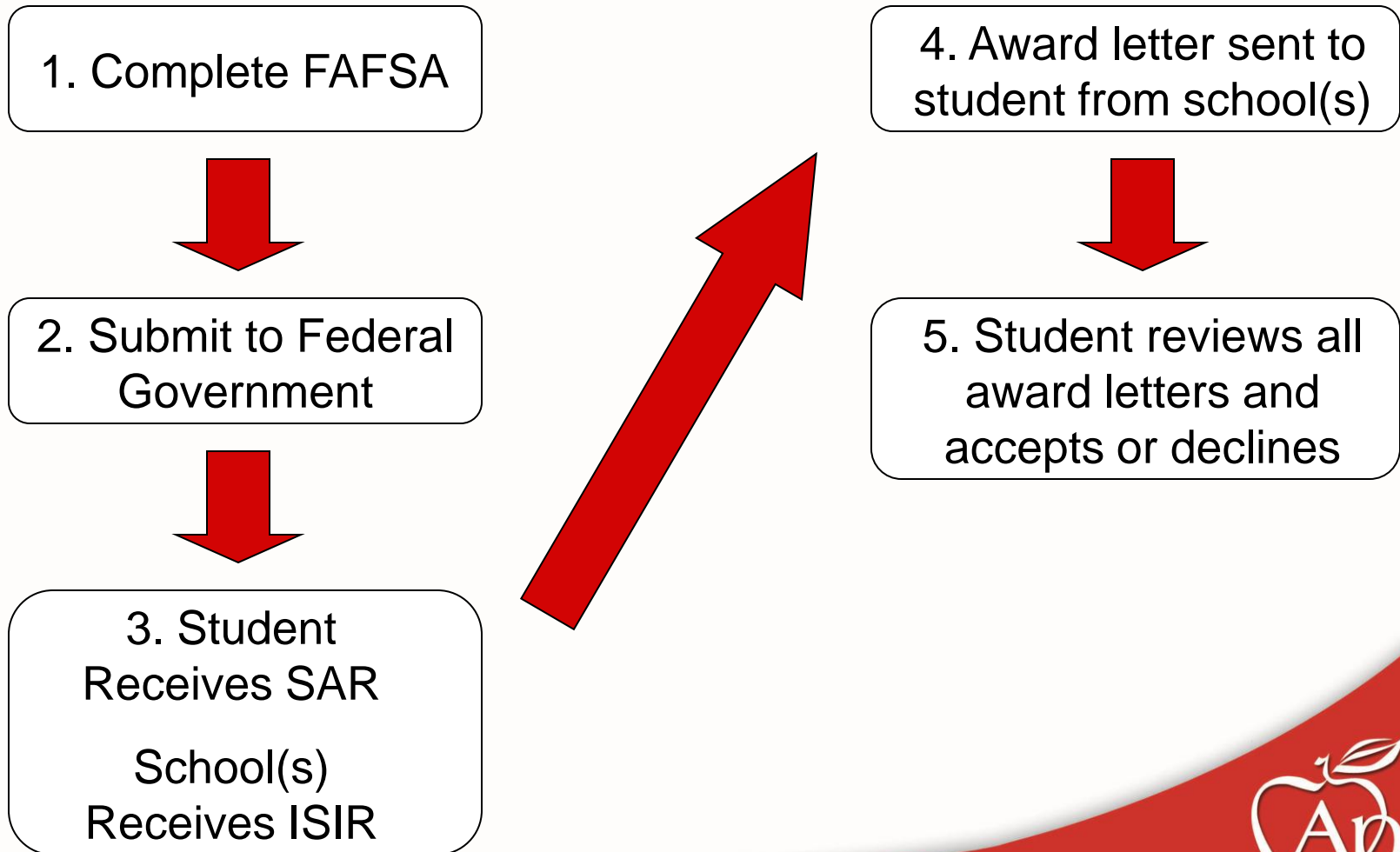
# FAFSA

## Free Application for Federal Student Aid

- Deadline is **January 1<sup>st</sup>** of upcoming current school term through June 30<sup>th</sup> of ending school term.
- First time users apply for a PIN [www.pin.ed.gov](http://www.pin.ed.gov).
- Submit application on-line at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).
- Must apply annually
- [www.FAFSA4caster.ed.gov](http://www.FAFSA4caster.ed.gov)

Check with your state and college  
for additional deadlines.

# Financial Aid Process



# Student Status

## Independent Student

- Born before January 1, 1988
- A graduate or professional student
- Married on the day you applied for aid
- Children or other dependent that receives more than half of their support from you
- A veteran
- A member of the armed forces
- Parents deceased as of age 13
- In foster care, an orphan, or ward of the Court
- Has legal dependent

# Student Status

## Dependent Student

- Born on or after January 1, 1988 (24 years old)
- Does not meet any of the criteria listed for an Independent Student

# Expected Family Contribution (EFC)

The EFC is a Federal calculation based on information provided in the FAFSA

EFC takes into account:

- Income (parent(s) and student)
- Assets (parent(s) and student)
- Number in household
- Number in college
- State of residency
- Marital status
- Dependency status

# Financial Need

|                                           |                 |
|-------------------------------------------|-----------------|
| Cost of Attendance (COA)                  | \$20,000        |
| <u>Expected Family Contribution (EFC)</u> | <u>\$10,000</u> |
| <b>Need</b>                               | <b>\$10,000</b> |

# CSS Profile

The CSS PROFILE is required by some colleges and universities to determine eligibility for non-government financial aid, such as the institution's own grants, loans and scholarships

[profileonline.collegeboard.com](https://profileonline.collegeboard.com)

- **Submission dates:** Starting Oct 1
- **Specific questions:** Pertain to the school or program you're applying to
- **Different methodology:** Determines your financial need differently than the FAFSA. More detailed information required.
- **Cost:** \$25 initial application and one college report. Additional college reports are \$16 each

Used at a limited number of schools in Virginia  
(UVA, Washington and Lee, University of Richmond)

# Types of Aid

- **Free Money**
  - Grants and Scholarships
- **Cheap Money**
  - Stafford Loans
- **Gap Money**
  - PLUS Loans
  - Alternative (Private) Loans

# Grants (Free Money)

## Federal Grants – Range from \$100 to \$5,550

- Federal Pell Grant (Need based)
- Federal Supplemental Educational Opportunity Grant (Need based)

## State Grants

- Virginia Commonwealth Award

## Institutional Grants

- Check with Financial Aid Office

# Scholarships (Free Money)

## Scholarships – Amounts Vary

- Awarded based on need or merit
- Awarded for a variety of reasons: academics; sports; extra-curricular activities

## Resources include

- School Counselor / Career Center Specialist / Employer / Internet / College Financial Aid Office (FAO)
- Apple Education Foundation
  - 30 \$4,000 Scholarships to Apple members
  - [www.AFCUFoundation.org](http://www.AFCUFoundation.org)

# Federal Work Study Program

- First come – First serve – Financial Need
- Provides jobs to student with financial need
- Paid at least minimum wage
- Jobs are at college and /or related to student's field of study

Didn't receive Work Study?

Check With the FAO or Admissions Office

# Federal Student Loans (Cheap Money)

## Stafford Loans (2012 -2013 School Year)

### FDLP (Federal Direct Lending Program)

#### **Subsidized (Need based)**

- Based on need
- Government pays interest while in school and for 6 months after leaving school
- 6.8% fixed interest rate plus 1% origination fee

#### **Unsubsidized**

- Not based on need
- Students are responsible for interest, may defer
- 6.8%\* fixed interest rate plus 1% origination fee

# Stafford Loan Limits

## Subsidized

|                   |         |
|-------------------|---------|
| Freshman          | \$3,500 |
| Sophomore         | \$4,500 |
| Juniors & Seniors | \$5,500 |

## Unsubsidized

### Dependent Student

|                   |         |
|-------------------|---------|
| Freshman          | \$5,500 |
| Sophomore         | \$6,500 |
| Juniors & Seniors | \$7,500 |

### Independent Student

|                   |          |
|-------------------|----------|
| Freshman          | \$9,500  |
| Sophomore         | \$10,500 |
| Juniors & Seniors | \$12,500 |

# Sample Award Letter

|                           |                 |
|---------------------------|-----------------|
| Federal Pell Grant        | \$2,000         |
| Federal Loan – Sub        | \$3,500         |
| Federal Loan – UnSub      | \$2,000         |
| State Scholarship Grant   | \$1,500         |
| Institutional Grant       | \$1,000         |
| Federal Work-Study        | \$2,500         |
| <b>Total Award</b>        | <b>\$12,500</b> |
| <b>Cost of Attendance</b> | <b>\$20,000</b> |
| <b>Unmet Need</b>         | <b>\$7,500</b>  |

# Unmet Need (Money to fill the Gap)

- Savings Account
- College Savings Plans (529)
- PLUS (Parent Loan for Undergraduate Students)
- Alternative (Private) Loans
  - Apple's Student Choice loan
- Home Equity Loans
- Credit Cards
- Retirement Account
- 401K Plans

# 529 Plan

A 529 plan is an investment plan that gives families a federal tax-free way to save money for college.

- Prepaid tuition plans let parents lock-in future tuition at in-state public colleges at present prices.
- College savings plans let parents use their plan funds for college expenses at any college.
- Counts as an asset when determining EFC on FAFSA.

# PLUS Loan

## Parent Loan for Undergraduate Students (PLUS)

Often listed on Award Letter

- 7.9% fixed interest rate
- Available to parents of dependent students, graduate and professional students
- Borrowers are subject to a credit check
- 4% origination fee
- Limit is the COA less any other Financial Aid
- Payments begin 6 months after student drops below half time status or graduates
- No prepayment penalty

# Alternative (Private) Loans

## WHAT TO CONSIDER

- Index Used
  - Prime or LIBOR
- Spread
- Floor
- Origination Fee
- Repayment Terms
- Borrower Benefits
- Co-Borrower Options

# Deadlines

- Start filling out the FAFSA January 1
- Priority Deadline for aid Feb – April
- Admissions decisions arrive March - April
- Award letters sent out April
- Notify school of intention By May 1
- Payment due End of July

**State and institutional deadlines may vary**

# Websites

## Federal Government

- [www.studentaid.ed.gov](http://www.studentaid.ed.gov)
- [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- [www.pin.ed.gov](http://www.pin.ed.gov)
- [www.fafsa4caster.ed.gov](http://www.fafsa4caster.ed.gov)
- [www.nces.ed.gov/collegenavigator/](http://www.nces.ed.gov/collegenavigator/)

## State

- [www.virginia529.com](http://www.virginia529.com)
- [www.schev.edu](http://www.schev.edu)

## General Knowledge / Scholarships

- [www.finaid.org](http://www.finaid.org)
- [www.fastweb.com](http://www.fastweb.com)

# Questions?