



# College Funding 101

**Presented by Eric Stegner  
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Apple Federal Credit Union**

# 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)

Example: <http://www.jmu.edu/finaid/JMUAidEstimators.shtml>

# 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
- 
- The diagram shows two groups of cost components. 'Direct Costs' includes 'Tuition and fees' and 'Room and board'. 'Indirect Costs' includes 'Books and supplies', 'Transportation', and 'Miscellaneous'. Arrows point from the labels to their respective items.

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

# 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

FDLP (Federal Direct Lending Program)

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

- Based on need
- Government pays interest while in school and for 6 months after leaving school
- 3.4% 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 a state-operated 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 or dependent student whose parent applied but was unable to obtain
- 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
  - Will vary based on school and state
- 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

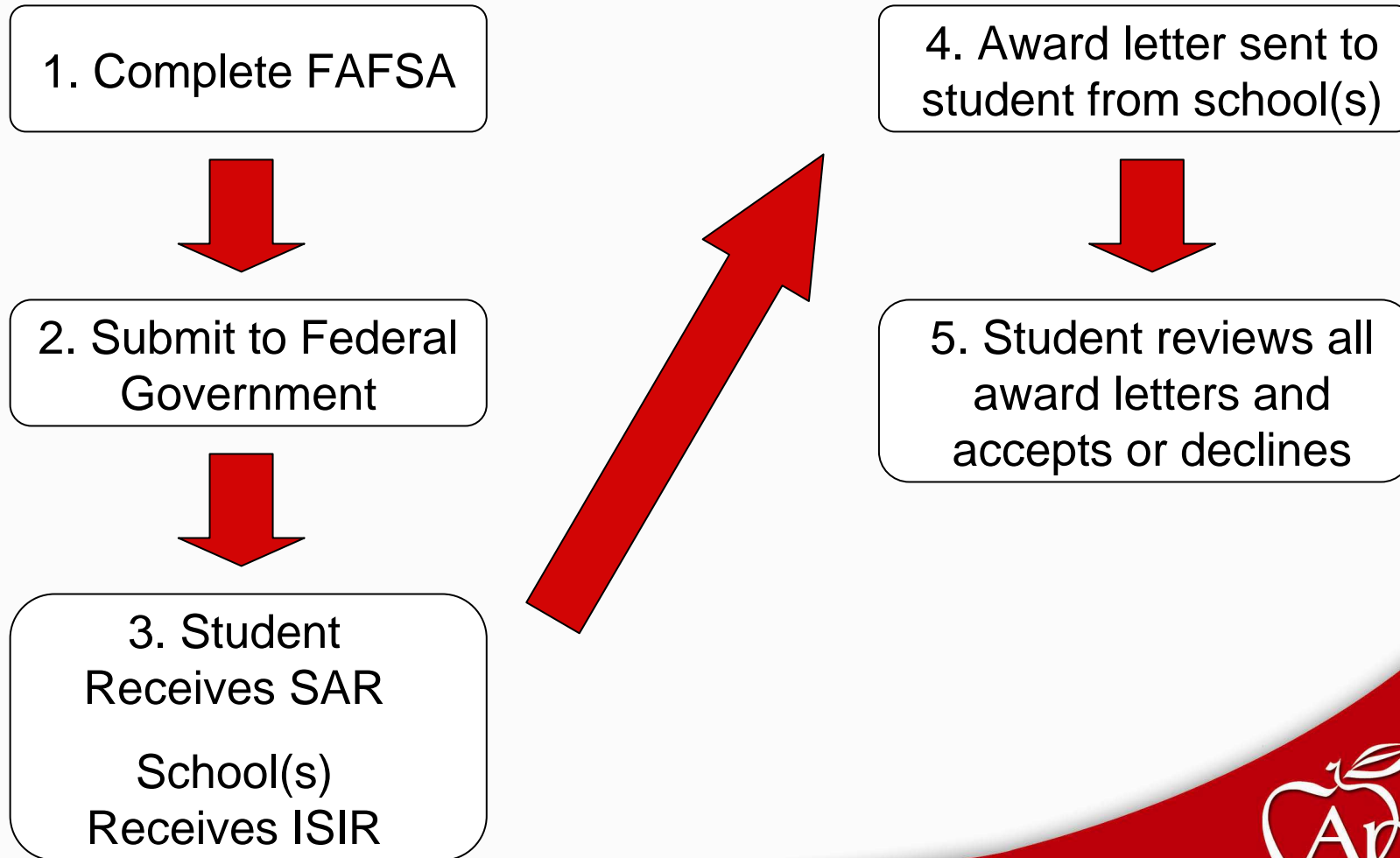
- [www.collegeboard.com](http://www.collegeboard.com)
- [www.finaid.org](http://www.finaid.org)
- [www.fastweb.com](http://www.fastweb.com)

# 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. Check with your State and college for additional deadlines.
- 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)

# Financial Aid Process



# FAFSA Priority Filing Deadlines

- Check with the school
  - Old Dominion: February 15th
  - Radford: February 15<sup>th</sup>
  - Virginia Tech: March 1<sup>st</sup>
  - UVa: March 1st
  - George Mason: March 1<sup>st</sup>

# FAFSA: What You Need

- Identifying information:
  - Social Security or Green Card numbers
  - Birthdates
  - Dates of parents' status (marriage, divorce, death)
  - E-mail address
  - Dates of residence in Virginia
- Financial Information
  - 2011 Income tax returns and W-2s
  - Bank statement(s)
  - Investment account statement(s)
  - Value of business if > 100 employees

# 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

# 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

**Not living with parents or not being claimed by them on tax forms does not determine dependency status for federal student aid**

# 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>

# Where do I stand? How much aid can I get?

- [www.fafsa4caster.ed.gov](http://www.fafsa4caster.ed.gov)
- “Net price calculator”
  - All colleges are required to have one

# FAFSA4CASTER

College Cost Worksheet - FAFSA on the Web - Federal Student Aid - Mozilla Firefox

File Edit View History Bookmarks Tools Help

ed.gov https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s2

College Cost Worksheet - FAFSA on L...

**START HERE GO FURTHER FEDERAL STUDENT AID**

**FAFSA**  
Free Application for Federal Student Aid

Home About Us Student Aid on the Web PIN Site Contact Us Browse Help

SEARCH

### Federal Student Aid FAFSA4caster

**How It Adds Up**

The "College Cost Worksheet" includes the estimated amount of federal student aid you may receive.

But federal student aid is only one source of college funding. The "College Cost Worksheet" lets you enter amounts of other student aid and savings that can go towards your college education.

You can also provide the costs of a college you are interested in attending. Click **Calculate** when you're done and we'll tell you if you have enough funds to cover your college costs.

Enter the name of the college you plan to attend. (optional)

How much does the college cost? (Include tuition, room and board, books, and other expenses). \$

### Grants and Scholarships

Grants and Scholarships are funds for college expenses that you do not have to repay.

Federal Pell Grant \$

State Grants (fill in an amount) \$

College Grants (fill in an amount) \$

### Help and Hints

#### Direct Stafford Loans

This amount is the total amount of Direct Stafford Loans for which you may be eligible. If you are currently enrolled in college and know the exact amount of Direct Stafford Loan funds you will receive, you may enter that amount here.

ESTIMATE

https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s2#

# FAFSA4CASTER – 2

College Cost Worksheet - FAFSA on the Web - Federal Student Aid - Mozilla Firefox

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ed.gov https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s2

College Cost Worksheet - FAFSA on L...

**Work-study**

Federal Work-study is part-time employment where you can earn funds while enrolled at the school. Students are paid at least the federal minimum wage and the jobs can be on campus or off campus. Not all colleges participate in the Federal Work-study program and funds may be limited.

Federal Work-study \$ 1,465  
(This amount is the national average for work-study)

**Student Loans**

[Direct Stafford Loans](#) are low-interest loans for undergraduate and graduate students who are enrolled in college at least half-time. Federal student loans are borrowed funds that must be repaid.

Direct Stafford Loans \$ 5,500

**College Cost You Entered** \$ 22,000

**Total Aid Available**  
This includes the federal student aid we estimated and any of the other aid you entered.  
\$ 6,965

**Difference** \$ 15,035  
Your estimated [EFC](#) is 9,177.

**Additional resources you should consider:**

Parents may apply for a [Parent PLUS Loan](#) to help pay their child's education expenses as long as certain eligibility requirements are met. Your parent may be eligible to apply for the amount

**Help and Hints**

**Direct Stafford Loans**

This amount is the total amount of Direct Stafford Loans for which you may be eligible. If you are currently enrolled in college and know the exact amount of Direct Stafford Loan funds you will receive, you may enter that amount here.

ESTIMATE

ESTIMATE

https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s2#

# FAFSA4CASTER – 3

College Cost Worksheet - FAFSA on the Web - Federal Student Aid - Mozilla Firefox

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College Cost Worksheet - FAFSA on T...

### Additional resources you should consider:

Parents may apply for a [Parent PLUS Loan](#) to help pay their child's education expenses as long as certain eligibility requirements are met. Your parent may be eligible to apply for the amount displayed in the Difference field.

Direct PLUS Loan for Parents (fill in an amount) \$

### Savings

Savings is money that you and your parents plan to save for the purpose of contributing to your college expenses.

Savings (fill in an amount) \$

**CALCULATE**

Note: FAFSA4caster provides an estimate of federal aid for one academic year. It is based on the information you entered and certain assumptions like full-time attendance.

FAFSA4caster is not the actual application and is offered to help you understand how you can pay for college. If you are attending college soon and want to receive federal student aid you must complete the [FAFSA](#) and you must reapply each year.

**PRINT THIS PAGE**

### Help and Hints

#### Direct Stafford Loans

This amount is the total amount of Direct Stafford Loans for which you may be eligible. If you are currently enrolled in college and know the exact amount of Direct Stafford Loan funds you will receive, you may enter that amount here.

**NEED HELP?** **PREVIOUS** **EXIT**

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https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s2#

# Net Price Calculator

The screenshot shows a Mozilla Firefox browser window displaying the Old Dominion University Admission & Aid page. The browser's address bar shows the URL <http://www.odu.edu/fusion/admission/>. The page features a navigation menu with links for About ODU, Academics, University Life, Admission & Aid, Research & Impact, and Athletics. The main content area is titled "Admission & Aid" and includes a sub-header "Admission & Aid" with a brief introductory paragraph. Below this, there are two columns: "Admission" with an image of high school seniors and the caption "High School Seniors", and "Financial Aid" with an image of students and the caption "Over half the students attending ODU get financial help from one source or another, including federal and state". On the right side, there are three green boxes: "Federal School Code" (003728), "CEEB Code" (005126), and "Resources" with a list of links including "Information for Parents/Counselors", "Housing", "Meal Plans", "Cost Calculator", and "Net Price Calculator".

Old Dominion University - Admission & Aid - Mozilla Firefox

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http://www.odu.edu/fusion/admission/

Old Dominion University - Admission ...

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IDEA FUSION

About ODU Academics University Life Admission & Aid Research & Impact Athletics


## Admission & Aid

ODU Home > Admission & Aid

### Admission & Aid


You're now ready to expand your modern mind. If you see possibility around every corner and know that knowledge and experience are the roads to success, then ODU is ready for you. We look at what you bring to the table as an individual. Grades and test scores are part of the equation, but so are all of the other experiences you've had so far-sports, student organizations, community service involvement, world travel and anything else you think has added to your general knowledge.

#### Admission



High School Seniors

#### Financial Aid



Over half the students attending ODU get financial help from one source or another, including federal and state

#### Federal School Code

003728

#### CEEB Code

005126

#### Resources

- [Information for Parents/Counselors](#)
- [Housing](#)
- [Meal Plans](#)
- [Cost Calculator](#)
- [Net Price Calculator](#)

Done

# Net Price Calculator – 2

The screenshot shows a Mozilla Firefox browser window displaying the Old Dominion University Net Price Calculator. The browser's address bar shows the URL: <http://www.odu.edu/fusion/admission/netpricecalc.shtml>. The page content includes a header for the calculator, a contact box for the Office of Student Financial Aid, a 'Welcome' section with introductory text, and a 'GET STARTED' section with 'SIGN-IN' and 'ENTER AS GUEST' buttons.

**Old Dominion University - Admission & Aid - Mozilla Firefox**  
File Edit View History Bookmarks Tools Help  
<http://www.odu.edu/fusion/admission/netpricecalc.shtml>

## Net Price Calculator

The net price calculator should appear below. If it does not, please contact the Office of Student Financial Aid using the information on the right.

**Contact**  
**Office of Student Financial Aid**  
121 Rollins Hall  
Norfolk, VA 23529  
757.683.3683 (service menu)  
757.683.5920 (fax)

### Welcome

Welcome to the Net Price Calculator! You've come to the right place. We're happy you are beginning to explore how to plan and pay for your college education. We will help you every step of the way. Using the net price calculator, you can find out your eligibility for financial aid from schools to which you plan to apply and estimate your out-of-pocket expenses. Rather than shy away from applying to colleges that seem to be out of your price range, results from the net price calculator will show you how affordable those institutions may be.

Even if you're not going to college in the near future, the net price calculator will still be helpful. Younger students and their parents can use this tool to learn about college costs and receive early financial aid information. You can create "what if" scenarios based on expected family income and anticipated expenses, and start to plan and save well before applying to college.

Colleges have different resources and financial aid policies, so your "net price" will vary from institution to institution. Also, special circumstances are considered by financial aid offices on a case-by-case basis. If your situation is unusual, you may want to contact the financial aid office at the colleges to which you are admitted.

### GET STARTED

Use Your **Sign In**

Signing in allows you to save your entered data in your collegeboard.com account, so you can use it again and again to calculate your net price at other colleges of interest. If you do not have a collegeboard.com account, you may sign up for one before you begin.

**SIGN-IN**

Or **ENTER AS GUEST** ?

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# Questions?

