

## Completing the FAFSA and State Financial Aid

### What is FAFSA?

The FAFSA or The Free Application for Federal Student Aid an application that determines eligibility to receive need-based federal grants, scholarships, employment opportunities, and loan rates. It is also used by universities and other aid granting institutions to assess financial need.

### About FAFSA

- To apply for FAFSA, you must complete the application online. It is a simple application that typically takes about 30 minutes to complete.
- **Applications open on October 1st** of each year.
  - Needs to be filled out during your senior year and then every year following if you plan to keep going to college.
  - The sooner you fill it out, the better!
- It is recommended that all students fill out the FAFSA application, even if they don't think they will qualify for financial aid
  - Some schools require it before rewarding academic/talent-based scholarships
  - The FAFSA is useful and often required when applying to scholarship housing, other scholarships/grants, and low-income student programs.

### FAFSA- How to Apply

The application will ask you about you and/or your legal guardian's finances, so it is recommended that a guardian helps you to fill it out.

- Submission Options
  - Apply online at [www.studentaid.gov](http://www.studentaid.gov) (usually the easiest way)
  - Fill out the form in the myStudentAid mobile app
    - After you submit your FAFSA form online or on the myStudentAid mobile app, you can check its status immediately
  - Complete a mail-in application (download PDF [here](#))
  - Request a print-out of the FAFSA PDF by calling 1-800-4-FED-AID

- Step 1- Have this information ready when you fill out the application:
  - Social Security Number or Alien Registration number
    - If you do not have any of these, you are not eligible to apply.
  - Federal tax information or tax returns
  - Cash, savings, and checking account balances
  - Any investments other than your home
  - Records of untaxed income
  - A copy of tax records from the previous year
  
- Step 2- Create your FSA ID on [StudentAid.gov/fsaid](https://studentaid.gov/fsaid)
  - This will be your account.
  - For safety reasons, it is important to choose strong passwords and jot them down.
  
- Step 3- Complete the Application
  - The application requires a lot of financial information which can be confusing but when in doubt check with a guidance counselor
  - Most of your parent's information will be filled out automatically as information is imported from the IRS
  - Answer all questions truthfully! It is important that you do so you receive the maximum amount of aid the government can offer you.
  
- Step 4- Interpreting your SAR (Student Aid Report)
  - When complete, the status will be one of the following: processing, processed successfully, missing signatures, or action required - complete missing components asap
  - Once you have finished the application (online), you will receive a Student Aid Report (SAR) that summarizes your financial need.
  - This document will have an Expected Family Contribution (EFC) number which estimates how much you (or your family) can afford to pay for college
  - **Based on your EFC (if it is low or high), you will be offered grants, work-study jobs, and/or reduced loan rates** - keep reading for more information on each.
  - Once your FAFSA is complete and processed by the universities you listed of the

FAFSA, each school that you applied to will send you an individual aid offer stating how much aid you will receive if you choose their school

## Federal Grants, Work-Study, and Loan Rates

### Pell Grant

- How It Works
  - Based on your EFC (from your FAFSA), the federal government will give you aid in the form of grants (money that does not need to be repaid). They do this through the Pell Grant.
  - The government gives your university x amount of money to distribute to low-income students and it will be added to your award package if you are eligible to receive it.
- Eligibility
  - You do **not** have to fill out any additional application, just your yearly FAFSA application, to be considered for the Pell Grant. As long as you have financial need and can fill out a FAFSA form, you will receive aid.
  - The Pell Grant gives you money based on your EFC and your ECF ONLY. You **will not** be penalized for having other scholarships/grants.
- Award Amounts
  - [Here is a chart](#) of how much aid you will receive depending on your EFC and credit hour status (Full-Time,  $\frac{3}{4}$  Time, or Half-Time Student), amounts change annually.

### Work Study

- How It Works
  - Each university sets aside employment positions for low-income students.
  - Only students with financial need, as determined by their EFC, can apply for these positions.
- Eligibility
  - To be eligible, you need to check the work-study box in your FAFSA application

and be classified as a low income student.

- You are then required to apply for one of the positions listed through your university.
- Benefits
  - These jobs do not provide a living wage or a salary and many students have additional jobs outside of the university. The advantage of taking a work-study job is that **income is taxed at lower rates than regular jobs** (no FICA taxes just state and federal) . This might mean that it is more beneficial to take a work-study job over a traditional one with a higher salary.
  - Work-study jobs also tend to be less hour-demanding, flexible with your student schedule, introduce you to faculty/staff, and might even let you study while you work.
- This money does not need to be paid back, but you do have to work for it, take into account that you will have to balance your time between working and studying.

## Loans

- How It Works
  - Most loans incur interest the longer it takes you to pay them (by months or years since you took out the loan)
  - If you are low income, as determined by your EFC, the government will offer you Direct Unsubsidized and Direct Subsidized loans that you do not have to pay back until 6 months after you graduate.
  - There are key differences between Unsubsidized and Subsidized loans that can be further explored [here](#).
- Eligibility
  - There are many types of loans but these are by far the best as they defer payment. To receive them you must be deemed a low-income student by your EFC in your FAFSA application.
  - Your university award package should outline the process on how to accept these loans.
- Benefits
  - Loans should be your last resort option as they result in an accumulation of debt,

however, if you need to take them out, these are the best.

- They both offer the benefit of deferred payment until 6 months after you stop being a student (determined by credit hours).
- Each offers their own specific benefits like loan repayment programs and delayed interest rates. (See Resources Section)

## **Resources**

- [FAFSA Tips and Common Mistakes to Avoid](#)
- [FAFSA Required Documents Checklist](#)
- [Financial Aid Terms to Know](#)
- [Types of Financial Aid](#)
- [Pell Grant Information](#)
- [Benefits of Work-Study](#)
- [Benefits of Federal Loans](#)