



FAFSA

What Every CFES Scholar Needs to Know

► ***The Basics***

1. What is the FAFSA?

FAFSA stands for Free Application for Federal Student Aid.

2. Who administers the FAFSA?

The FAFSA is administered by Federal Student Aid, an office of the U.S. Department of Education that ensures that all eligible individuals can benefit from federally funded or federally guaranteed financial assistance for education beyond high school.

3. Who should submit a FAFSA?

Every student, regardless of family income level, should submit the FAFSA.

4. Why should you submit the FAFSA?

The FAFSA is used by the government, colleges, and organizations to determine financial aid and scholarships.

5. How do you complete the FAFSA?

You may choose any of these three methods to file a FAFSA:

- Apply online at www.FAFSA.ed.gov (*recommended method*).
- Complete a PDF of the FAFSA (*completed PDF must be mailed for processing*).
- Request a paper FAFSA by calling the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243) or 1-319-337-5665.

6. Is there a deadline for submitting the FAFSA?

Yes. Deadlines vary from state to state and college to college. The FAFSA should be completed before March 1.

7. If you complete the FAFSA, what type of federal financial aid might you receive?

You could be eligible for grants, college work-study, and loans, including the Pell Grant, Academic Competitiveness Grant, Federal Supplemental Educational Opportunity Grant, Work-Study, Perkins Loans, and Stafford Loans, as well as PLUS Loans (for parents).

8. Why do you need to include parent income on the FAFSA?

Students must include parent income until they are classified as an independent student.

9. Is there any way to estimate what the FAFSA will determine?

The FAFSA4caster provides an early estimate of eligibility for federal financial aid assistance. It is very helpful tool that all students should use. Visit <http://www.fafsa4caster.ed.gov/F4CApp/index/index.jsf>.

10. Where can you go for help in completing the FAFSA?

Go to www.fafsa.ed.gov/ or call 1-800-4-FED-AID (1-800-433-3243) or 1-319-337-5665. **College Goal Sunday** provides assistance nationwide. Check out their website at www.collegegoalsundayusa.org/.

► Steps to Complete the FAFSA

- Get a Personal Identification Number (PIN). For information and to apply, follow this link: www.pin.ed.gov.
- You will need a Social Security Number.
- Gather information required to complete the FAFSA. For a list of the necessary documents and information, use the **FAFSA ON THE WEB WORKSHEET** found at <http://www.fafsa.ed.gov/before012.htm>.
- Complete the FAFSA online application at www.fafsa.ed.gov. Print and save a copy of the submission page containing your confirmation number.
- Follow up after submitting the FAFSA to check the status of your application. In approximately seven to nine days after submission online, you will receive your Student Aid Report (SAR).
- Further details on the above steps are available at <http://www.fafsa.ed.gov/>.

Note: Pages 3-7 of this document contain a **Glossary of Federal Financial Aid Terms from the U.S. Department of Education**. Much of this information was drawn from *Funding Education Beyond High School: The Guide to Federal Student Aid / 2010-11*, published by the U.S. Department of Education.

Follow this link to access the document in PDF format:

http://studentaid.ed.gov/students/attachments/siteresources/Funding_Education_Beyond_HS_2010-11.pdf.

Glossary of Federal Financial Aid Terms from the U.S. Department of Education

Ability-to-Benefit

In order to receive federal student aid, a student must have:

- A high school diploma
- A General Education Development [GED] Certificate, or
- An “ability to benefit” from the education or training being offered. This can be demonstrated by passing an approved ability-to-benefit (ATB) test.

Academic Year

A period of time colleges use to measure a length of study. Academic years may vary from college to college and even from educational program to educational program at the same college. For example, a college’s academic year may consist of a fall and spring semester during which a full-time undergraduate student must complete 24 semester hours.

Accreditation

Accreditation means that the college meets certain minimum academic standards, as defined by the accrediting body. The college must have accreditation from an accrediting body recognized by the U.S. Department of Education to be eligible to participate in the administration of federal student aid programs.

Capitalized

When the interest is not paid on a loan, it may be capitalized or added to the principal balance. This increases the outstanding principal amount due on this loan. Interest that is capitalized and therefore has been added to the original amount of the loan subsequently accrues interest, adding an additional expense to the loan.

Interest is often capitalized on loans for which the student or the student’s parents are responsible for paying interest as it accrues. These are usually subsidized loans in forbearance, unsubsidized loans, or PLUS Loans.

Cost of Attendance (COA)

The cost of attendance is not the bill that you may get from your college; it is the total amount it will cost you to go to college each year. The COA includes tuition and fees; on-campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, transportation, loan fees, and, if applicable, dependent care. It can also include other expenses like an allowance for the rental or purchase of a personal computer, costs related to a disability, or costs for eligible study-abroad programs.

(Note: The COA for graduate and professional programs is usually higher than for undergraduate programs.)

For students attending less than half-time, the COA includes tuition and fees and an allowance for books, supplies, transportation, and dependent care expenses; but it can also include room and board for up to three semesters or the equivalent at the institution, but no more than two of those semesters or the equivalent may be consecutive. Contact the financial aid office at the

college you plan to attend if you have any unusual expenses that might affect your cost of attendance.

Important FAFSA4caster Notes Regarding COA and Your Estimated Federal Student Aid Eligibility:

- Your Estimated Federal Student Aid Eligibility is based on full-time enrollment. If you attend college less than full-time, your COA will be lower, but so will your eligibility for aid.
- The COA used to calculate your Estimated Federal Student Aid Eligibility is based on national averages for undergraduate programs unless you provide your own COA. You should expect the COA for a graduate program to be slightly higher.
- Because the COA for professional programs varies widely, the cost for such programs is not included in the average COA used by FAFSA4caster.

Default

Default is a term used to classify your loans if you have failed to repay your loan according to the terms agreed to when you signed your promissory note. For the FFEL and Direct Loan programs, default occurs if you fail to make a payment for 270 days if you repay monthly (or 330 days if your payments are due less frequently). In many cases, default can be avoided by submitting a request for a deferment, forbearance, discharge, or cancellation and by providing the required documentation.

It is important to make sure your loans do not become defaulted. If they do default, national credit bureaus may be notified, which may affect your credit rating for as long as seven years. This will make it difficult for you to borrow money from a bank to buy a car or a house. The Internal Revenue Service can withhold your U.S. individual income tax refund and apply it to the amount you owe, or the agency holding your loan might ask your employer to deduct payments from your paycheck. Also, you may be liable for loan collection expenses. If you return to college, and you are in default, you're not entitled to receive additional federal student aid. Legal action also might be taken against you.

Eligible Noncitizen

You are an eligible noncitizen if you are a U.S. permanent resident who has an I-151, I-551, or I-551C (Permanent Resident Card).

You may also be an eligible noncitizen if you have an Arrival-Departure Record (I-94) from the U.S. Department of Homeland Security (DHS) showing:

- “Refugee,”
- “Asylum Granted,”
- “Cuban-Haitian Entrant (Status Pending),”
- “Conditional Entrant” (valid only if issued before April 1, 1980),
- “Paroled” (must be paroled for at least one year), or
- Victim of human trafficking (T-Visa).

If you are a citizen of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, you are eligible only for certain federal student aid programs. For more information, check with the financial aid office at the college you plan to attend.

You are not eligible for federal student aid if you have:

- A “Notice of Approval to Apply for Permanent Residence” (I-171 or I-464),
- An F-1 or F-2 student visa,
- A J-1 or J-2 exchange-visitor visa, or
- A G series visa.

Eligible Program

To receive federal student aid, you must be enrolled in an eligible program. An eligible program is one of organized instruction or study that leads to an academic, professional, or vocational degree or certificate, or other recognized educational credential. There are two exceptions to this requirement:

- If a college has told you that you must take certain course work to qualify for admission into one of its eligible programs, you can get a Stafford Loan for up to 12 consecutive months while you’re completing that preparatory course work. You must be enrolled at least half-time, and you must meet the usual federal student aid eligibility requirements.
- If you’re enrolled at least half-time in a program to obtain a professional credential or certification required by a state for employment as an elementary or secondary school teacher, you can get a Federal Perkins Loan, Federal Work-Study, a Stafford Loan, or your parents can get a PLUS Loan, while you’re enrolled in that program.

Expected Family Contribution (EFC)

Your Expected Family Contribution (EFC) is the number that’s used to determine your eligibility for federal student aid. The EFC is not the amount of money that your family must provide. Rather, you should think of the EFC as an index that colleges use to determine how much financial aid you would receive if you were to attend their school.

An estimated EFC is calculated using the data you submit on the FAFSA4caster.

Federal Methodology

The Federal Methodology is a formula used to determine your Expected Family Contribution (EFC).

Financial Aid Package or Financial Aid Award

The financial aid office at your college is responsible for combining the aid you are eligible for into a “package” to try and meet your cost of attendance. This package or award is the total amount of student aid that you are offered by the college. Your financial aid package will include federal and non-federal funds that you are eligible to receive. But keep in mind that some federal student aid may be affected by other sources of aid like scholarships or state aid.

Your financial aid package may vary from school to school and in some instances may fall short of the amount you need to cover the full cost of attendance. So it’s important that you review each aid package carefully.

General Education Development (GED) Certificate

This is a certificate students receive if they’ve passed a specific, approved high school equivalency test. Students who have a GED may still qualify for federal student aid. A college that admits students without a high school diploma must make available a GED program in the vicinity of the college and must inform students about the program.

Guaranty Agency

A guaranty agency is an organization that administers the Federal Family Education Loan (FFEL) Program in your state. A guaranty agency is the best source of information on FFEL Loans in your state. For the name, address, and telephone number of the guaranty agency serving your state, you can contact the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

Half-time

At colleges measuring progress in credit hours and semesters, trimesters, or quarters, “half-time” is at least six semester hours or quarter hours per term for an undergraduate program. At colleges measuring progress by credit hours but not using semesters, trimesters, or quarters, “half-time” is at least 12 semester hours or 18 quarter hours per year. At colleges measuring progress by clock hours, “half-time” is at least 12 hours per week. Note that colleges may choose to set higher minimums than these. You must be attending college at least half-time to be eligible for a Stafford Loan, the Academic Competitiveness Grant (ACG), and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant). Half-time enrollment is not a requirement to receive aid from the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, Federal Perkins Loan programs, and Teacher Education Assistance for College and Higher Education Grant (TEACH Grant).

National Student Loan Data System (NSLDS)

The National Student Loan Data System (NSLDS) is the central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, the Pell Grant program, and other Department of ED programs and provides students with access to review their data. You will need a Federal Student Aid PIN to access the NSLDS database. Once you log in you can get information on your federal loans, Pell Grant amounts, and outstanding balances. You can access NSLDS at www.nsls.ed.gov.

Need Analysis

The process of analyzing a student’s financial need, known as need analysis, focuses on determining how much the family reasonably can be expected to contribute towards the student’s education. Traditionally, determination of an applicant’s need is achieved by collecting information about the family’s income, assets, and living expenses. For the federal student aid programs, the law specifies a need analysis formula that produces the Expected Family Contribution (EFC). The EFC and the college’s cost of attendance are used by the postsecondary school to establish the student’s need, as well as to award grants, campus-based aid, and subsidized loans. The college might ask you to complete other paperwork to determine your need for non-federal aid.

Promissory Note

A promissory note is a binding legal document you sign when you get a student loan. It lists the conditions under which you’re borrowing and the terms under which you agree to pay back the loan. It will include information on how interest is calculated and what deferment and cancellation provisions are available to the borrower. It’s very important to read and save this document because you’ll need to refer to it later when you begin repaying your loan or at other times when you need information about provisions of the loan, such as deferments or forbearances.

Regular Student

A regular student is one who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution. Generally, to receive federal student aid you must be a regular student. There are exceptions to this requirement for some programs.

Satisfactory Academic Progress

To be eligible to receive and continue receiving federal student aid, you must meet and maintain your college's standards of satisfactory academic progress toward a degree or certificate offered by that institution. Colleges usually provide their satisfactory academic progress information in their handbook or online. Check with your college to get more information.

Selective Service Registration

In order to be eligible for federal student aid, you must register with the Selective Service if:

- You are a male born on or after Jan. 1, 1960, and
- You are at least 18 years old, and
- You are not currently on active duty in the U.S. Armed Forces.

(Note: Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau are exempt from registering.)

Student Aid Report (SAR)

Your Student Aid Report (SAR) summarizes the information you submit on your Free Application for Federal Student Aid (FAFSA) and provides you with your Expected Family Contribution (EFC).

Verification

Verification is a process where your school confirms the data reported on your FAFSA. Your school has the authority to contact you for documentation that supports income and other information that you reported.