







Financial Aid 101



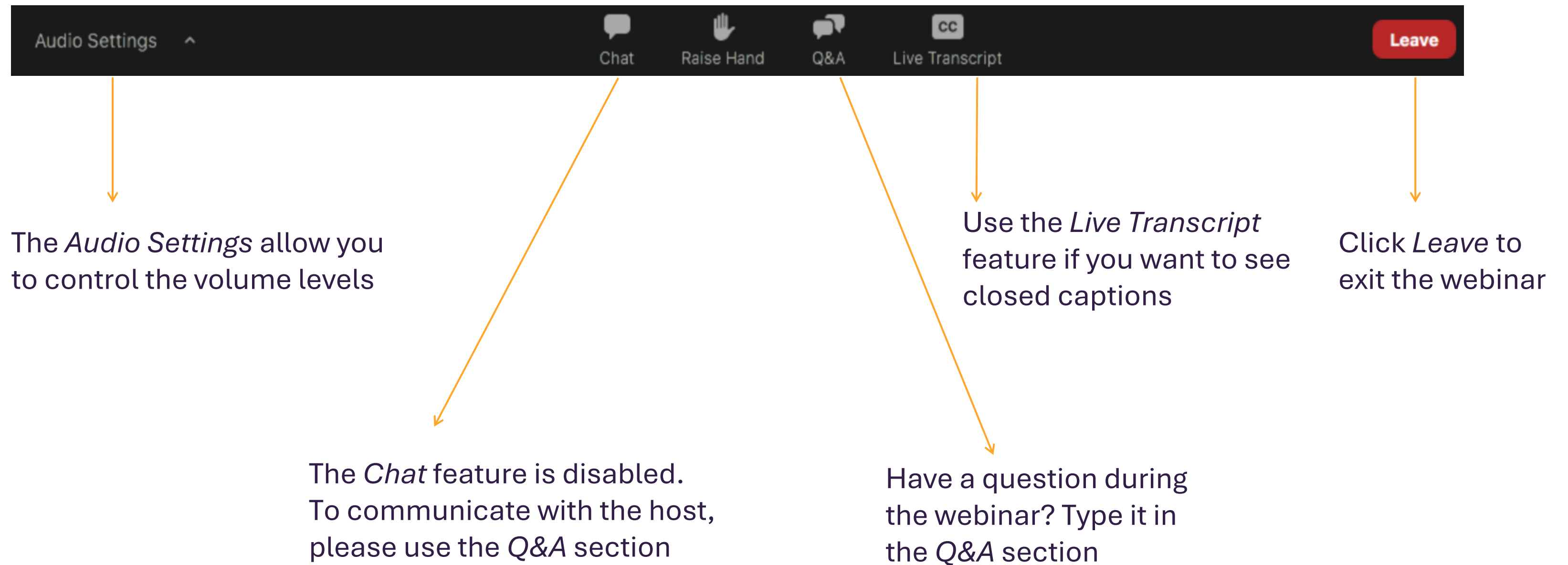
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How to Participate



About MEFA

State authority created by the Commonwealth of Massachusetts in 1982, helping families plan, save, and pay for college



Webinar Topics

- Types & Sources of Financial Aid
- The Application Process
- How Financial Aid Decisions Are Made
- Paying for College
- Free Resources



Financial Aid Landscape

FAFSA Simplification had a challenging rollout and is an ongoing process. However, we have reason to believe this year will be smoother due to testing prior to the FAFSA release on December 1st.

Please know there is lots of help with this process through MEFA, colleges, school counselors, and other organizations. Never be afraid to ask questions. We will share lots of resources in this presentation.



Types and Sources of Financial Aid

What is Financial Aid?

- Financial aid is money to help students pay for college
- 3 main types:
 - Grants and scholarships (gift aid)
 - Federal work-study
 - Federal student loans



Federal Direct Student Loans

- Student is the sole borrower
- No credit check
- Subsidized and Unsubsidized
- 6.53% fixed interest rate for 2024-25
 - 2025-26 rate will be set in May 2025
- Repayment:
 - No payments due while enrolled
 - Multiple options (many tied to income)
 - Total borrowed for 4 years: \$27,000 max
 - Estimated payment: \$300/month for 10 years
 - Estimated total debt: \$32,000-\$34,000
 - Deferment, forbearance, and forgiveness opportunities

| Annual Loan Limits | |
|--------------------|---------|
| Freshman Year | \$5,500 |
| Sophomore Year | \$6,500 |
| Junior Year | \$7,500 |
| Senior Year | \$7,500 |

Sources of Financial Aid

| Federal | Massachusetts |
|---|--|
| <ul style="list-style-type: none">• Grants, work-study, loans, tax incentives• StudentAid.gov | <ul style="list-style-type: none">• Grants, scholarships, tuition waivers, loans• mass.edu/osfa |
| College/University (institutional aid) | Other Agencies |
| <ul style="list-style-type: none">• Grants, scholarships, loans | <ul style="list-style-type: none">• Scholarships: Search through mefapathway.org and fastweb.com, and check with your school counselor |
| \$177 billion*: The total amount of aid undergraduate students received in 2022-23 | |

**Trends in Student Aid 2023, The College Board*

Merit-Based Aid

- Awarded in recognition of student achievements (academic, artistic, athletic, etc.)
- Might have renewable requirements or not be renewable
- Not offered at every college; check each college's website for details
- Separate application sometimes required (check deadlines!)
- Application deadline may be as early as November



Need-Based Aid

- Based on family's financial eligibility (“need”)
- Eligibility determined by a standardized formula
- Includes grants, loans, and work-study
- Most financial aid is need-based
- Must be making satisfactory academic progress





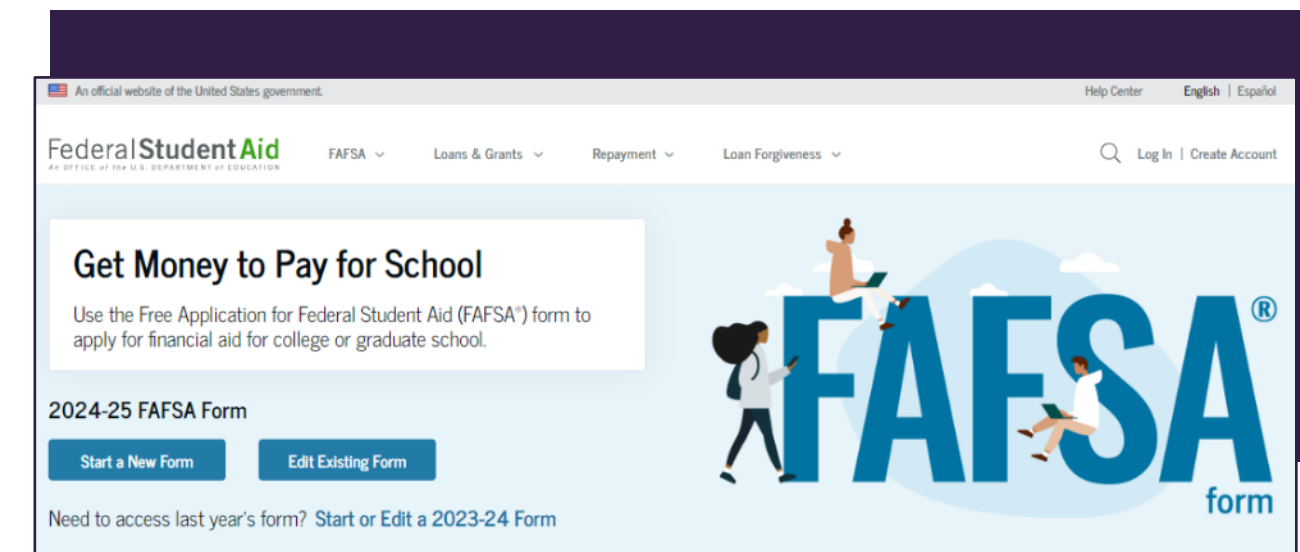
The Application Process

Financial Aid Timeline

- Check deadlines and required applications on each college's website now
- You will likely apply for financial aid before you receive the admissions decision
- Early Action/Decision deadlines are often in October or November
- Standard deadlines are typically in February or March
- MEET APPLICATION DEADLINES!
- Use MEFA's College Application Manager to stay organized
mefa.org/college-application-manager

FAFSA®

- Free Application for Federal Student Aid (FAFSA)
- Required by all colleges
- Must complete every year
- Available at fafsa.gov on Dec 1st (usually Oct 1st)
- 2025 HS grads will do the 2025-26 FAFSA
- Contributor = person whose information appears on the FAFSA
- Student starts and then invites all other contributors
- Each contributor has a separate section
- Last contributor to complete can submit the FAFSA
- Incomplete FAFSAs are deleted after 45 days of no activity
- *Understanding the FAFSA webinar*



FSA ID

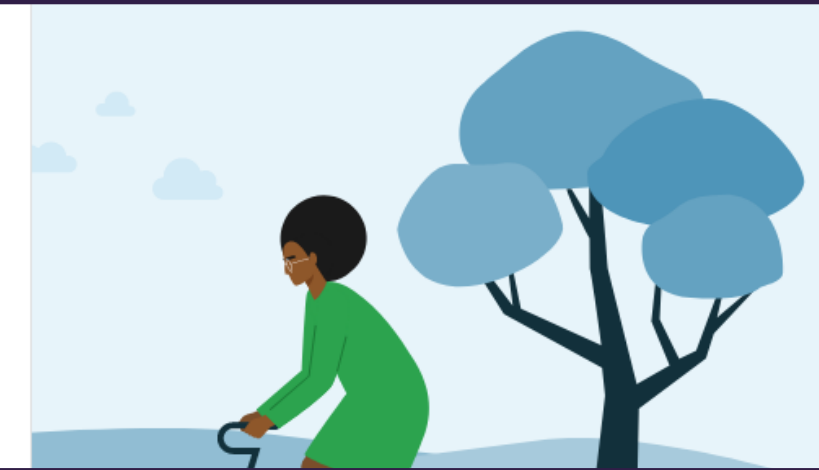
- FSA ID = username and password for the FAFSA
- Must have an FSA ID to log in
- Can set up your FSA ID now (must wait 2-4 days to start the FAFSA)
- studentaid.gov/fsa-id/create-account
- Must have an email address
- Who needs an FSA ID?
 - Student
 - Student's spouse if filed taxes separately or didn't file
 - Every parent listed on the FAFSA
 - If parents filed taxes jointly, only one parent needs one
- Those without an SSN will answer knowledge-based questions pulled from credit history

Create an Account

Whether you're a student, parent, or borrower, you'll need to create your own account to manage the student loan journey.

Get Started

Already have an account? [Log In](#)



What's Reported on the FAFSA?

- General Information
- Student citizenship status
 - All U.S. citizens and eligible non-citizens can receive federal financial aid
 - Undocumented students may be eligible for MA in-state tuition and state aid
- Colleges where student is applying (each one will receive your FAFSA)
- Parents
 - Married, including same-sex parents, include both
 - All parents who live together, married or not
 - Divorced/Separated: parent who provided more financial support in last 12 months & current spouse
 - If parents provided equal support, use the parent with greater income and assets
 - Legal guardians are NOT a parent
- # in household: will pull from IRS but family can update
- # of children in college: will not be used in calculation

What's Reported on the FAFSA?

- Financial Information
- Parent and student income (2023 income for the 2025-26 FAFSA)
 - Will pull in federal tax data from the IRS (must give consent)
 - Both taxed and untaxed income that appears on the tax return
- Parent and student assets
 - Include value of savings, checking, investments, all businesses/farms, other property
 - Include education savings accounts as a parent asset and don't report the ones for other children
 - Do not include primary home, value of retirement, life insurance
 - Child support received is considered an asset
- Debt is not reported except debt on reported assets

Other Financial Aid Applications

CSS Profile®

- cssprofile.org
- Required by some colleges and universities
- \$25 for 1st school, \$16 for each additional
- Fee waivers if parent income is \$100k or less or family meets certain other criteria
- Becomes available October 1st
- Noncustodial parent submits a separate profile
- *What to Know about the CSS Profile webinar*



College Financial Aid Application

- Required by some colleges and universities

After You Apply

- Colleges and the state receive data electronically
- Student will receive a FAFSA Submission Summary (FSS) by email
- Colleges may request additional documentation due to (mandatory) Verification
- Colleges review applications and determine the financial aid offer
- Financial aid may be sent with the admissions decision or after
- Review college websites to learn about each school's timing

Verification

- Colleges verify data on financial aid applications
- Students selected by Department of Education or college
- Must comply with all requests to receive financial aid
- Families must submit additional documentation as requested:
 - Tax Return Transcript
 - Verification Worksheet
 - Asset Account Statements
- Review all correspondence from colleges
- Log into college web portal for communications
- Create a family email address for the financial aid process so no requests are overlooked



Financial Aid Office

| | |
|--|---|
| Learn about Your Financial Aid | <ul style="list-style-type: none">• Financial aid renewability criteria (financial, academic)• How will a private scholarship affect my financial aid? |
| Ask about Special Considerations | <ul style="list-style-type: none">• Changes in family circumstances• Can I appeal my offer? How? |
| How to Contact the Financial Aid Office | <ul style="list-style-type: none">• Phone call• Email• Chat (if offered) |



How Financial Aid Decisions are Made

Cost of Attendance (COA)

**COA = Total Expenses for
One Year of College**



= Billed or Direct Expenses



= Non-Billed or Indirect Expenses

Tuition & Fees

+

Food & Housing

+

Books & Supplies

+

Transportation

+

Personal Expenses

Student Aid Index (SAI)

- Number that represents a family's financial strength
- Same federal formula used for every family
- Income weighs much more heavily than assets
- Some colleges also use an institutional formula
- Family has the primary responsibility for paying
- Not necessarily what the family will pay
- SAI Calculator on mefa.org

The screenshot shows the MEFA Financial Aid Calculator interface. The header includes the MEFA logo and navigation links: "Make a Plan", "Start to Save", "Pay for College", "MEFA Loans", and a "Log In" button. The main heading is "Financial Aid Calculator" with the subtitle "Estimate your Student Aid Index (SAI) for the 2025-2026 school year".

The calculator form is divided into two main sections. The left section contains input fields for:

- Finances:** A toggle for "Have the parents filed 2023 tax returns?" (set to "Yes").
- Adjusted Gross Income:** A text input field.
- Income Tax Paid:** A text input field.
- Filing Status:** A dropdown menu with "Select..." as the current selection.
- Parent 1 Income:** A text input field.
- Parent 2 Income:** A text input field with a note "Ignore if one-parent household".
- Untaxed Income:** A text input field.
- Cash and Investments:** A text input field.
- Three toggle questions: "Do the parents own a business or farm?", "Have the parents reported any scholarship or grant aid as part of their Adjusted Gross Income or any education credits, or earnings from Federal Work-Study (FWS)?", and "Does the parent receive child support?". All are currently set to "No".

At the bottom of the left section are "Back" and "Continue" buttons.

The right section, titled "Parents' Contribution", features a bar chart. The y-axis ranges from -\$1,900 to \$1,900. The chart shows three bars: "Assets" (grey, at \$0), "Income" (green, at -\$1,826), and "Total" (blue, at -\$1,826). A legend at the bottom identifies the colors: Assets (grey), Income (green), and Total (blue).

Financial Aid Formula

**Colleges fill in
Financial Aid
Eligibility with
financial aid from
all sources**

Cost of Attendance (COA)

-

Student Aid Index (SAI)*

=

Financial Aid Eligibility

*Note that a negative SAI is treated as zero in this formula

Financial Aid Awarding

**College
Cost of
Attendance**
\$45,000

Unmet need and
SAI are the
FAMILY's
responsibility

| | |
|----------------------|----------------------|
| Unmet Need | \$5,000 |
| Work-Study | \$2,000 |
| Student Loans | \$5,500 |
| Grant Scholarship | \$17,500 \$10,000 |
| SAI | \$5,000 |

Net Price Calculators

- Online tool found on each institution's website
- Asks questions about family finances and student academics
- Provides personal, estimated net college price
- Displays federal & institutional aid
- Merit-based aid may also be included



Offer Letters: Totals Can Vary



College
Cost of
Attendance

\$45,000

Student Aid Index
(SAI)

\$5,000

Total Eligibility

\$40,000

| | College A | College B | College C |
|---------------------|-----------|-----------|-----------|
| Grants/Scholarships | \$32,500 | \$25,500 | \$17,500 |
| Student Loans | \$5,500 | \$5,500 | \$5,500 |
| Work-Study | \$2,000 | \$2,000 | \$2,000 |
| Total | \$40,000 | \$33,000 | \$25,000 |
| Unmet Need | \$0 | \$7,000 | \$15,000 |

Use MEFA’s College Cost Calculator to compare awards: mefa.org/college-cost-calculator

Offer Letters: Types Can Vary



| | | College A | College B | College C |
|---|---------------------|-----------|-----------|-----------|
| <div>College Cost of Attendance \$45,000</div> <div>Student Aid Index (SAI) \$5,000</div> <div>Total Eligibility \$40,000</div> | Grants/Scholarships | \$27,500 | \$17,500 | \$0 |
| | Student Loans | \$5,500 | \$5,500 | \$5,500 |
| | Parent Loans | \$0 | \$10,000 | \$29,500 |
| | Work-Study | \$2,000 | \$2,000 | \$0 |
| | Total | \$35,000 | \$35,000 | \$35,000 |
| | Unmet Need | \$5,000 | \$5,000 | \$5,000 |

Use MEFA’s College Cost Calculator to compare awards: mefa.org/college-cost-calculator



Paying for College

Filling SAI and Unmet Need

Balance Due: \$20,000

| | |
|---|-----------|
| Past Income (Savings) | |
| Student Savings | -\$1,000 |
| Parent Savings | -\$4,000 |
| Present Income (Current Wages) | |
| Parent Contribution to Payment Plan | -\$5,000 |
| Future Income (Borrowing College Loans) | |
| Education Loan | -\$10,000 |
| | \$0 |

Important Kitchen Table Conversations

- What is each school's net price?
- What is the right step for the student? There are MANY options
- Curating a balanced college list will provide the most options and choices
- Consider that starting at community college (free tuition and fees in MA) could save your family significant \$
- Consider the number of children in the family going to college
- Think in terms of the student's total debt (4+ years of school), potential starting salary, and future career plans
- Does the college have services the student needs (learning styles, transition from high school IEP, etc.)
- Would taking a gap year benefit the student?



Paying for College in MA



To apply for MA state financial aid, complete the FAFSA by May 1st

<https://www.mass.gov/free-and-affordable-college>

- **MassEducate:** Free community college (tuition & fees and potential book allowance) for all students
- **Mass Reconnect:** Free community college for adults over 25 years of age
- **MASSGrant Plus Expansion:** Free or reduced tuition & fees for low & middle-income students and potential book allowance
- **Tuition Equity Law:** Some undocumented students can receive MA state aid and in-state tuition rates (<https://www.mass.edu/tuitionequity/home.asp>)
- **MassTransfer:** Makes transferring from a MA community college to a 4-year MA public college more affordable
- **Tuition Break:** Reduction on out-of-state tuition costs at New England colleges for certain programs (<https://nebhe.org/>)

mefa.org/paying-college-massachusetts

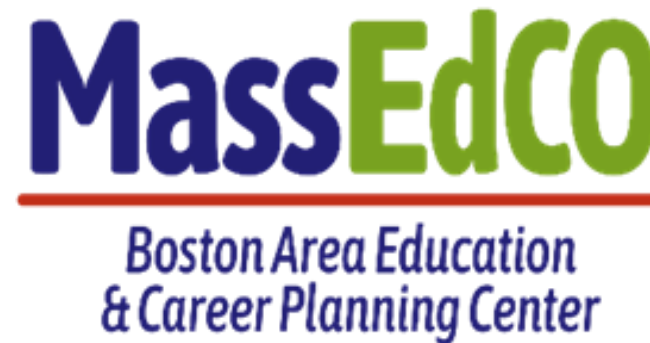


Free Resources

National and Community Resources



- Free assistance completing the FAFSA
- Events held Oct-Feb
- Offered in both English and Spanish
- Register at FAFSADay.org



- Non-profit providing free financial aid help and career readiness services
- Schedule an appointment with an education advisor
- massedco.org/



- No-cost college and career planning resource for students in grades 6-12
- mefapathway.org

Staying on Track Through Senior Year

Spring/Summer Junior Year

- Research colleges
- Visit campuses and college fairs
- Ask teachers for letters of recommendation
- Take the SAT/ACT
- Start writing the college essay

Fall Senior Year

- Retake the SAT/ACT
- Secure letters of recommendation
- Finalize the college essay(s)
- Attend MEFA's *Financial Aid 101* webinar
- Complete all admissions applications
- Submit early admissions applications
- Get an FSA ID and submit the FAFSA
- Submit the CSS Profile if required

Winter Senior Year

- Submit admissions applications
- Apply for private scholarships
- Send in mid-year grade reports

Spring Senior Year

- Receive admissions and financial aid offers
- Attend MEFA's *Financial Aid Offers & the College Bill* webinar
- Attend college open house programs
- Choose your college by May 1st

View an extended timeline at: mefa.org/college-admissions-and-financial-aid-timeline

What You Can Do Now

- Get an FSA ID for the student and parent(s)
- Research deadlines and required applications

**Register for other
MEFA webinars**



**Reference MEFA's Timeline
for College Admissions
and Financial Aid**



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MEFA's emails**



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Thank You!

Questions?



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