



BND

## How do you feel about financial aid?



How do you feel when you hear the words “Financial Aid?”

Our goal for today is to have everyone feeling like B by the end of the session.



**COST OF ATTENDANCE ... See Regional College Cost Sheet for schools in ND and surrounding states.**

The **school** determines the total **cost of education**.

What does college really cost? 3 key factors:

- where you go – 2 year vs 4 year; public vs private; in-state vs out-of-state
- how careful you budget
- how much financial aid you receive

ND Stats for 2016-17

Average 2 year public = \$12,500

Average 4 year public = \$15,500

Average 4 year private = \$25,500

**Five Basic Groups of Expenses**

**1. Tuition and Fees**

May vary based on your academic program and the # of credit hours you take each term.

**2. Room and Board**

If you live and eat your meals on campus, the college bills you for these expenses. The charges vary depending on the room and meal plan you choose.

**3. Books and Supplies**

Course materials.

**4. Transportation**

How you plan to go back and forth for holidays (bus, train, plane or car) and how often you plan to make the trip.

**5. Personal Expenses**

Laundry, cell phone service, etc.

Most families, even with planning and saving, will need to rely on Financial Aid.

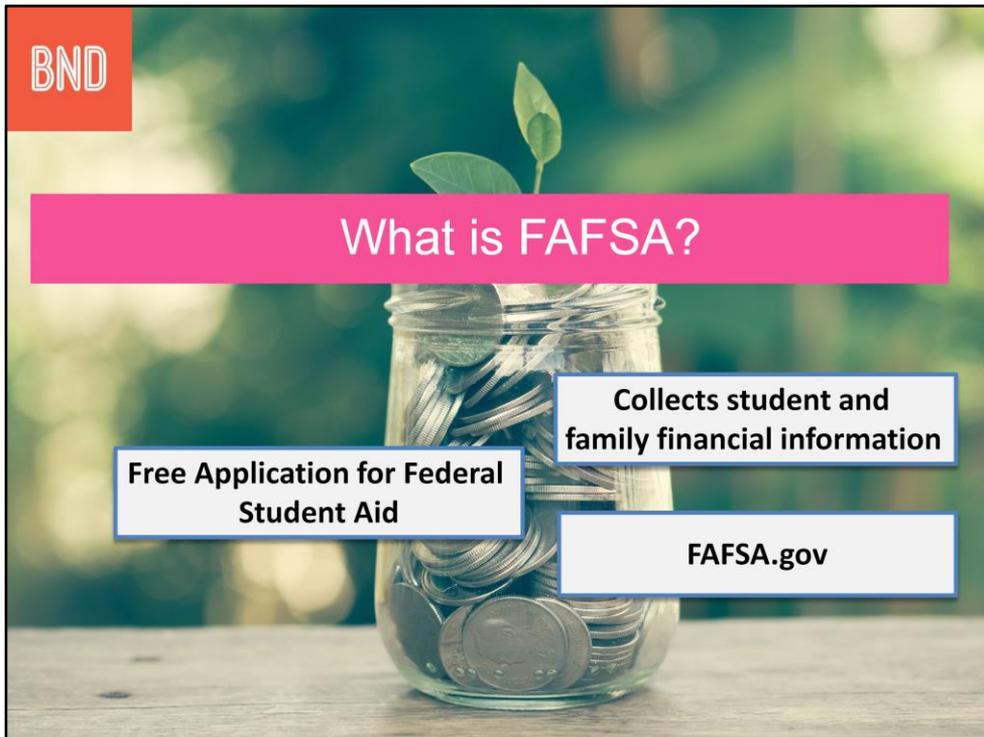


Financial Aid is any grant, scholarship, loan, or paid employment offered to help a student meet his/her college expenses.

Some aid is NEED-BASED aid which means the student must demonstrate financial need to be eligible. This includes work study, some loans, and some grants.

Such aid is usually provided by various sources such as federal and state agencies, colleges, high schools, foundations, and corporations. The amount of financial aid that a student receives is determined through federal, state and institutional guidelines.

The federal government is the largest source of financial aid providing over \$165 billion each year. To apply you must complete a FAFSA.



FAFSA stands for Free Application for Federal Student Aid. It is free to complete.

A student must complete a FAFSA to apply for federal financial aid and some types of state aid.

Most students are required to provide information about their parents.

**Completed online at [www.fafsa.gov](http://www.fafsa.gov)**

Can list up to 10 schools.

Each school determines financial aid

### **SPECIAL CIRCUMSTANCES**

\*Contact the financial aid administrator should the family's circumstances have changed.

-loss of benefits, death, divorce, elementary/secondary tuition expenses, medical and/or dental expenses not covered by insurance, unusually high child care costs, unemployment of a family member, etc.

\*The financial aid administrator may decide to adjust data, which may increase the student's eligibility for student aid.

\*Be prepared to provide documentation to verify your request.

## Documents for FAFSA



When completing the FAFSA you will need information from the following documents:

Social Security Number

2015 Federal Income Tax Return

2015 Untaxed income records

Veterans non-education benefit records

Child support received

Worker's compensation

Assets

Balance of cash, savings and investments

Know what not to include

Alien registration or permanent resident card (if not a U.S. citizen)

Real estate and investment net worth - Do not include:

- home you live in
- life insurance
- retirement plans
- value of family farm you live on and operate
- value of small business with 100 or fewer employees



To start filling out the FAFSA simply click **“Start a New FAFSA”**. You can also click the Login button to make a correction or check the status of your application.

For additional information and answers to common questions, visit the **“Browse Help”** section.

To FAFSA4caster and other information, check out the **“Student Aid on the Web”** section.

This is the official FAFSA site... [fafsa.ed.gov](http://fafsa.ed.gov). Remember completing a FAFSA is free!

To view and print a paper FAFSA click on the **“FAFSA Filing Options”**. This can be helpful for first time filers to better understand the FAFSA and questions you will be asked. It is still highly recommended to submit your application online, do not mail a paper application.

## Is parent information needed?

- Independent Student
  - 24 years of age
  - Married
  - US Armed Forces active duty or veteran
  - Have a child whom they support
  - At any time after age 13 were in foster care or ward of the court
  - Emancipated minor
  - In legal guardianship
  - Unaccompanied homeless youth
  - Estranged from parents

Dependent students will need to include their parent's information and income when completing the FAFSA.

It is important to remember that only biological or adopted parents are to be reported on the FAFSA.

Grandparents, foster parents and legal guardians are not considered parents on this form unless they have legally adopted the student

## Divorced or Remarried Parents

- Only provide information on one parent
  - Also parent's spouse if remarried
- Not related to who claimed you on taxes
- Parent you lived with more in the past 12 months

Beginning with the 2014-15 FAFSA, dependent student's must include info for both legal parents if they live together, regardless of the parents' marital status

If you did not live with one parent more than the other, give answers about the parent who provided more financial support



You can now submit the FAFSA Earlier  
The 2017-18 FAFSA is open on October 1  
Use of Prior-Prior Income Data  
Beginning with the 2017-2018 FAFSA use 2015 Tax Year info  
For the 2018-2019 FAFSA use 2016 Tax Year info

Previously the FAFSA couldn't be started until January 1 each year and you used the prior year income data.  
For the 2016-17 FAFSA income data from the 2015 tax year was used.

## Why apply early?

- Certainty
- IRS Data Retrieval Tool
- Less pressure
- Earlier notification about financial aid

File the FAFSA earlier

Certainty – applicants will not need to estimate income or taxes paid

Easier to use the IRS Data Retrieval Tool because you have done your 2015 taxes by the time you fill out your 2017-2018 FAFSA.

Less pressure – more time for students and parents to explore and understand financial aid options and apply for aid before state deadlines.

May receive notification of financial aid packages earlier. You should check with the financial aid office.

## FSA User ID

- Who needs a Federal Student Aid ID?
  - Student
  - Parent of dependent students
- [Studentaid.gov/FSAID](http://Studentaid.gov/FSAID)

To complete your FAFSA you will need to sign with a FAFSA User ID

What is an FAFSA User ID?

An FSA ID is a username and password used to access a student's personal information on the Federal Student Aid websites

Used to sign important documents

FAFSA

Master Promissory Note

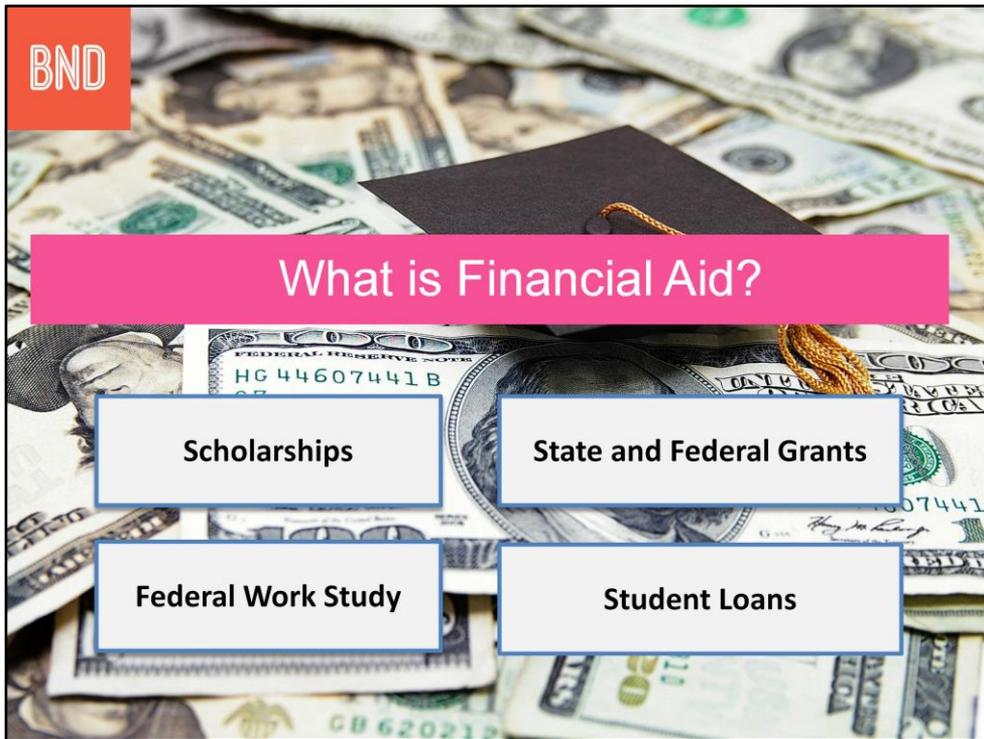
What happened to the Federal Student Aid PIN?

The FSA ID replaced the Federal Student Aid PIN on May 10, 2015

More secure than PIN

How do I get an FSA ID?

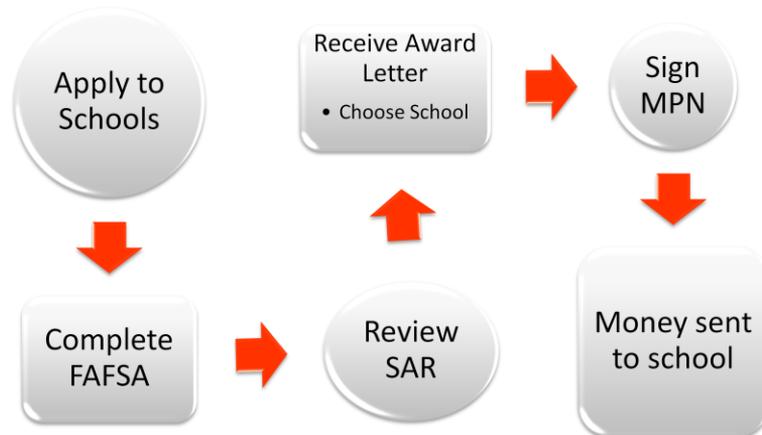
[StudentAid.gov/fsaid](http://StudentAid.gov/fsaid)



Financial Aid is any grant, scholarship, loan, or paid employment offered to help a student meet his/her college expenses. Such aid is usually provided by various sources such as federal and state agencies, colleges, high schools, foundations, and corporations. The amount of financial aid that a student receives is determined through federal, state and institutional guidelines.

Some aid is NEED-BASED aid which means the student must demonstrate financial need to be eligible. This includes work study, some loans, and some grants.

## Financial Aid Process



1. The process begins with applying to schools for admission. You do not have to have your mind made up. You can apply to more than one school.
2. Next it is time to complete a FAFSA. FAFSA is the Free Application for Federal Student Aid. It is the basic application for federal and state financial aid. Up to 10 schools can be listed at one time. **Print confirmation page!**
3. After submitting a FAFSA you will receive a Student Aid Report that summarizes the information you provided. Review this document for accuracy to make sure you didn't make any errors.
4. Each school you list on the FAFSA will receive your information and use it to create an **award letter**. This award letter indicates the types of aid for which you qualify. Remember, award letters come from the individual schools and will vary.
  - Review your awards letters and decide whether you will accept or decline the schools offer.
  - Your school will notify the Department of Ed's servicer. You do not need to contact the lender directly.
  - For first time borrower's you will need to complete entrance loan counseling as instructed by the school.
5. You will receive Master Promissory Note which you will need to complete and return. This is your promise to repay the loan.
6. Money will be sent to school.



There are many ways to get scholarship information. **Please remember that you do not need to pay money to get money!**

#### **Put in Effort!**

It takes time, effort, and often creativity to find and apply for scholarships. Private scholarship are often based on different criteria such as grades, age, gender, race, major, interests, membership in clubs. There are unusual scholarships for almost everything you can imagine.

Looking for and applying for scholarships should be an ongoing process. Some things to keep in mind are to:

- Begin searching early
- Apply for as many scholarships as possible
- Use the Internet
- Prepare a portfolio
- Make essays personal, concise and clear
- Limit resume to one page

Local businesses & organizations

Colleges/Universities

Religious Organizations

Fraternal Organizations

Employers

Tribal Agencies

State Agencies

Large Corporations

Internet

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

## Federal Work Study

- Jobs may be on or off campus
- Pay varies
- Say “yes” on FAFSA

### **Federal College Work Study**

Provides cash to help with day to day expenses. Not applied directly to tuition and fees. To receive these funds, you need to earn them. Some schools try to match jobs related to academic interest, but most require the student to find, apply and interview for positions on their own. It's important students who are interested contact the financial aid office to find out what positions are available and how to apply.

Possibility of up to 40 hours per week, but usually about 10-15 hours per week  
Not guaranteed year to year. Depends on financial need, if you used the work-study funds that were offered previously or how much WS \$ your school receives.

Earnings are subtracted from your Adjusted Gross Income on the FAFSA, so it's not included when calculating your financial need

Limited funding awarded at discretion of the school, so apply early

Will be asked on FAFSA – mark YES – decline later if you want.

first come-first served – contact right away!!



PELL – need-based grant to low-income undergrads and some post baccalaureate students – application is FAFSA. Could receive up to \$5,920

FSEOG – Federal Supplemental Educational Opportunity Grant – need-based grants to low-income undergrad – application is FAFSA. Could receive up to \$4,000

TEACH - The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program

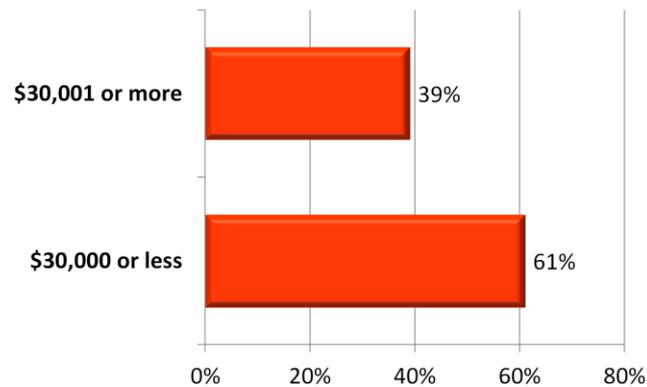
- For students who intend to teach full-time in a “high-need” field in a public or private elementary or secondary school that serves students from low-income families.
- must teach at least 4 academic years within 8 calendar years of graduation
- if you don’t meet requirements, grant converts to a Federal Direct Unsub Loan, with interest charged from grant disbursement date
- \$4,000

Apply early and watch for deadlines.

Fill out the FAFSA – that will start the process

## Pell Grants

2013-14 Dependent Pell Grant Recipients by Family Income



Families often want to know if they will qualify for Pell Grant.

Many factors go into determining Pell Grant eligibility. These include Income as well as Household size, Number in college, Assets and others.

To qualify, family income is typically less than \$50,000.

The lower the family income, the greater the likelihood of qualifying, as shown in the chart.

Source: <https://www2.ed.gov/about/overview/budget/budget16/justifications/p-sfa.pdf>

In 2013-14, approximately 61 percent of Dependent Pell Grant recipients had family incomes less than or equal to \$30,000

## State Grants

- ND Scholars Program
- Indian Scholarship: \$2,000
- Academic or Career & Tech Ed Scholarship: \$1,500
- State Student Incentive Grant: \$1,950
- Go to BND College Planning Center for info

### ND SCHOLARS PROGRAM

- a merit-based scholarship
- provides approximately 45 new freshmen scholarships
- a high school junior must take the ACT Assessment between October and June and score in the upper 5 percentile of all North Dakota ACT test takers – usually 30 or higher.
- full-tuition scholarship (equal to NDSU/UND's tuition) for students attending North Dakota's schools (public, tribal colleges, private)
- renewable for up to three years provided the recipient maintains a cumulative 3.50 grade point average.

### INDIAN SCHOLARSHIP

App from school or NDUS web site

### Academic or Career/Tech Ed – Application provided to schools by end of May/early June - ACT by Feb – 2.75 GPA to renew

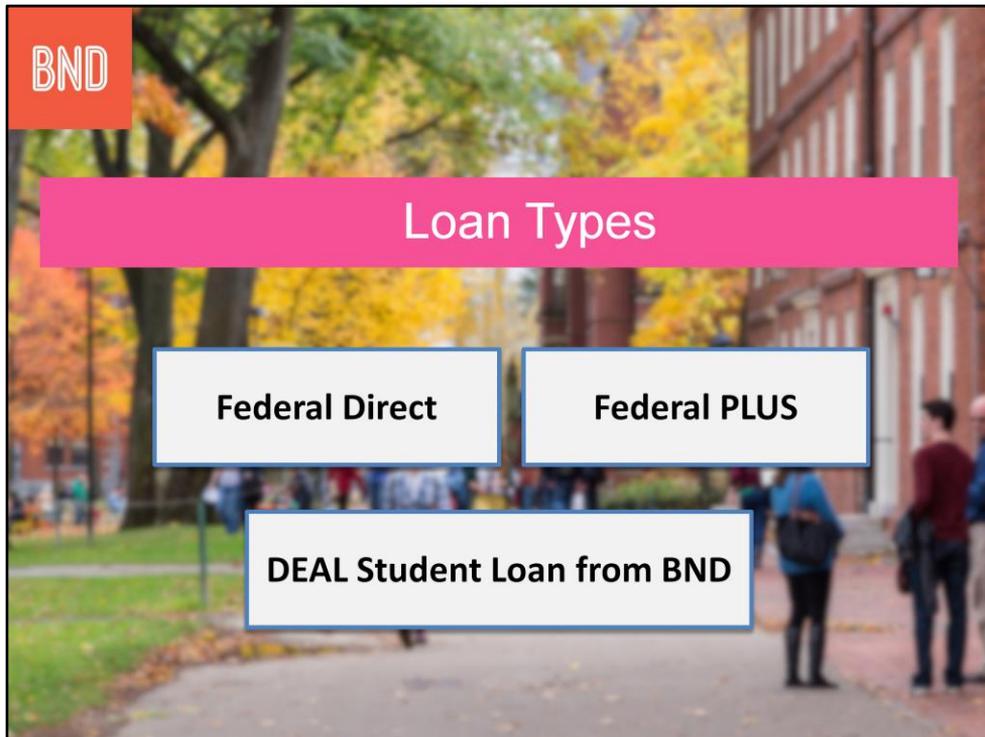
The North Dakota Academic Scholarship and the North Dakota Career and Technical Education Scholarship were authorized by the 2009 Legislature to encourage and reward high school students for taking more challenging course work in preparation for college and to prepare them for entering the workforce.

- Students have 6 years following graduation to realize the scholarship. Important to submit application even if planning to go out of state. This way if you do continue education in ND within 6 years you can still receive the scholarship.
- Good idea to print out and save your application confirmation page in case it is lost by DPI.
- Student must be full time. Freshman = 12 credits; after first year = 15.
- Clock hour schools such as: welding, trucking and cosmetology do NOT qualify.

**STATE GRANTS**

- To be eligible, you must be a citizen or permanent resident of North Dakota and plan to enroll in a course of study at least nine months in duration with a minimum of 12 credits for each enrollment period.
- Complete the FAFSA and indicate a North Dakota educational institution to be considered. Deadline is April 15.
- Approx 8,000 students awarded each year.

Questions on these: your high school counselor, financial aid office, or the North Dakota University System office in Bismarck at 701-328-4114 – [WWW.NDUS.EDU](http://WWW.NDUS.EDU)



Not all student loans are the same.

There are different types of loans with different interest rates and repayment conditions.

You should always take federal loans first.

### **FEDERAL DIRECT LOAN**

- In student's name
- MPN is the borrower's promise to repay. It is signed when the student borrows their first loan. Additional loans can be made under the MPN for up to 10 years.
- Loans can be subsidized or unsubsidized. The subsidized loan is a need-based loan and the Federal government pays the interest for the student while enrolled at least half-time.
- Student is the borrower
- Must be enrolled at least half-time
- Fixed interest rate (2016-17)
- 3.76% undergraduate loans
- 1.068% loan fee
- Repayment begins after out of school for 6 months

### **PARENT LOAN FOR UNDERGRADUATE STUDENTS (PLUS)**

- Parent Loan for Undergraduate Students (PLUS) is available for parents to borrow on behalf of their dependent child to assist in paying educational expenses for college.
- **If a parent is denied the loan due to the results of the credit application, the student will then have additional borrowing and should contact their financial aid office.**
- The current interest rate is fixed at 7.21%.
- 4% Loan Fees deducted from disbursement check
- Parents can borrow up to the Cost of Education less any financial assistance their child is receiving.
- Repayment of the loan begins 60 days after the final loan disbursement. Deferment option available for Parents. Payment amounts are set up over 10 years with a minimum payment of \$50.

### **DEAL Student Loan from Bank of North Dakota**

- For education beyond high school
  - Including dual credit classes
- Including dual credit classes
- FAFSA required
- No Fees
- Competitive interest rate
- No tiers
- Fixed or variable \_ **Add interest rates here**
- Established, positive credit history
- Student or Cosigner
- Consolidation and repayment options

### **Can all students get a student loan?**

Yes!

At a bare minimum, by completing the FAFSA, all students become eligible for a Direct Unsubsidized Loan.

## Federal Direct Loan Limits

### Dependent Student

- \$5,500 – Year 1
- \$6,500 – Year 2
- \$7,500 – Years 3-5

### Independent Student

- \$9,500 – Year 1
- \$10,500 – Year 2
- \$12,500 – Years 3-5

### Dependent Students

\$5,500 – Year 1  
\$6,500 – Year 2  
\$7,500 – Years 3-5

### Independent Students

\$ 9,500 – Year 1  
\$10,500 – Year 2  
\$12,500 – Years 3-5  
\$20,500 – Graduates

## Things to consider when borrowing

- Future estimated salary
- Estimate your expenses
- Will need to make payments
- Repay debt in full

Check out calculators on BND website

•8-10% of anticipated gross income

•Example

\$30,000 – Anticipated annual income

\$2500 – Monthly income

\$250 – Monthly student loan payment

•Example

Average student debt in ND is currently about \$22,000

Monthly payment for 10 years would be \$250

Total payments equal \$30,381 (\$8,381 interest)

Good thing about student loans is that you can always pay off quicker without penalty

If you can't afford your payments you also have options such as Income Based payments, graduated payments, or extended repayment terms. Increasing to 20 years lowers your monthly payment to \$168, but your total interest increases to \$18,305 for total payments over \$40,000.

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## Tips to keep borrowing low



Reduced student loan debt

- Graduate in 4 years
- Take advantage of free credits
- Work & save
- Buy your own books: [chegg.com](http://chegg.com) is a good book rental site!
- Trim expenses
- Avoid credit cards
- Pay interest as it accrues
- Don't borrow the max

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## Who can help?

High School Counselor  
College Financial Aid & Admissions Offices  
BND College Planning Center  
[bnd.nd.gov](http://bnd.nd.gov)  
[RUReadynd.gov](http://RUReadynd.gov)  
[collegesave4u.com](http://collegesave4u.com)

1. College Planning Center – Successfully transitioning from high school to college.
2. RUReady - every North Dakota middle school and high school student has access to RUReady, a software program with career exploration, education planning and test preparation tools. Tools include testGEAR for ACT, Choices Planner and Choices Explorer. Students and their parents can access information online from anywhere. BND & SLND first began sponsoring these products in 2005.
3. College SAVE – ND’s 529 College Savings Plan – Tax-smart college savings - [collegesave4u.com](http://collegesave4u.com)
  - a. State tax deduction
  - b. Matching grant program

Most families, even with planning and saving, will need to rely on Financial Aid.



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Thank you

If you have any questions, please contact  
College Planning Center at 800.554.2717.