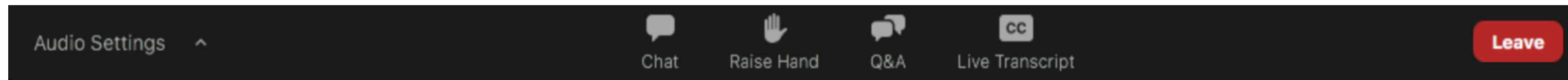


Financial Aid 101 for School Counselors

How to Participate



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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
- Discussions about college affordability are more important than ever
- Curating a balanced college list gives students more options to choose from
- MA state aid for low to middle-income families is greater than ever
- Merit aid continues to be an important part of the financial aid offer



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

Grants, work-study, loans, tax incentives
[StudentAid.gov](https://studentaid.gov)

Massachusetts

Grants, scholarships, tuition waivers, loans
mass.edu/osfa

College/University (institutional aid)

Grants, scholarships, loans

Other Agencies

Scholarships: Students can search through mefapathway.org, fastweb.com, and bold.org

\$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; each college's website has details
- Separate application is sometimes required
- 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





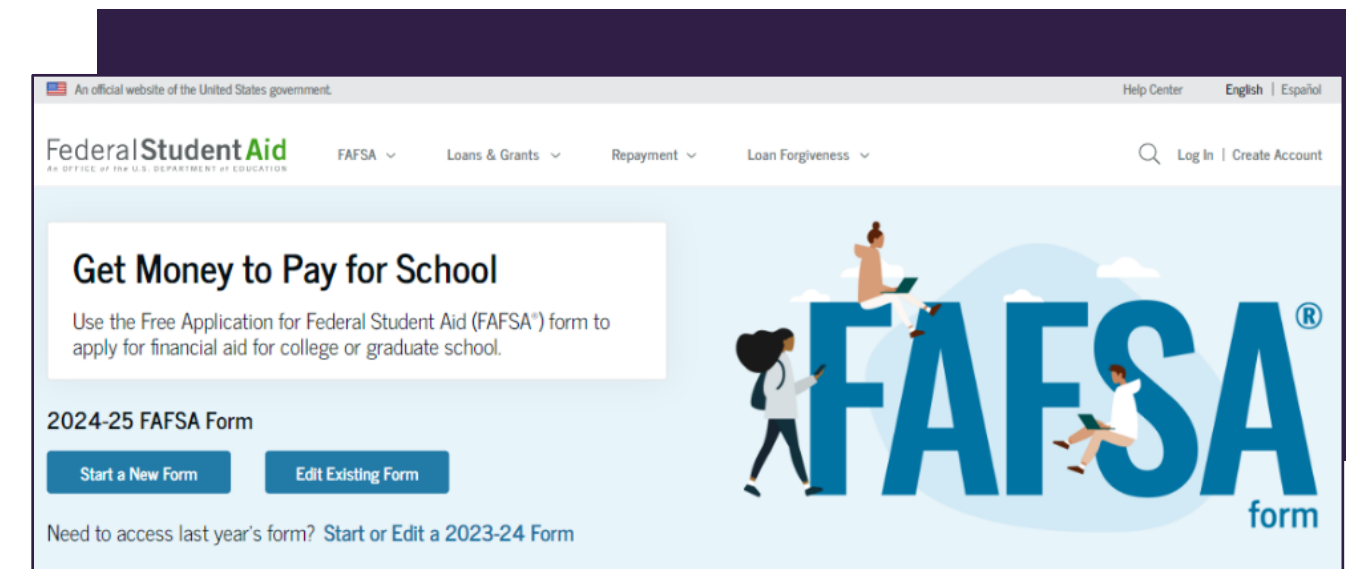
The Application Process

Financial Aid Timeline

- Students should check deadlines and required applications on each college's website now
- Students will likely apply for financial aid before receiving admissions decision
- Early Action/Decision deadlines are often in October or November
- Standard deadlines are typically in February or March
- Students must MEET APPLICATION DEADLINES!
- MEFA's College Application Manager helps families 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

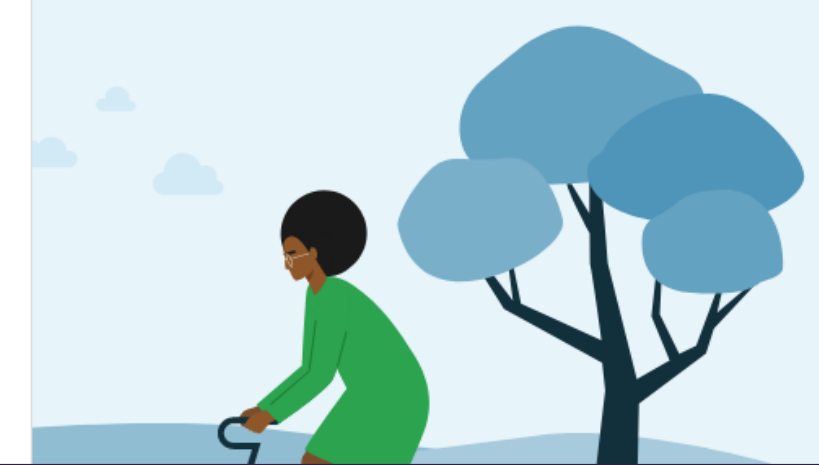
- FSA ID = username and password for the FAFSA
- Must have an FSA ID to log in
- Can set up an FSA ID now
(must wait 2-4 days to start the FAFSA)
- studentaid.gov/fsa-id/create-account
- Must have an email address
- Who needs an FSA ID?
 - Student
 - Student's spouse if filed taxes separately or didn't 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 the 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, the parent with greater income and assets should be used
 - 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

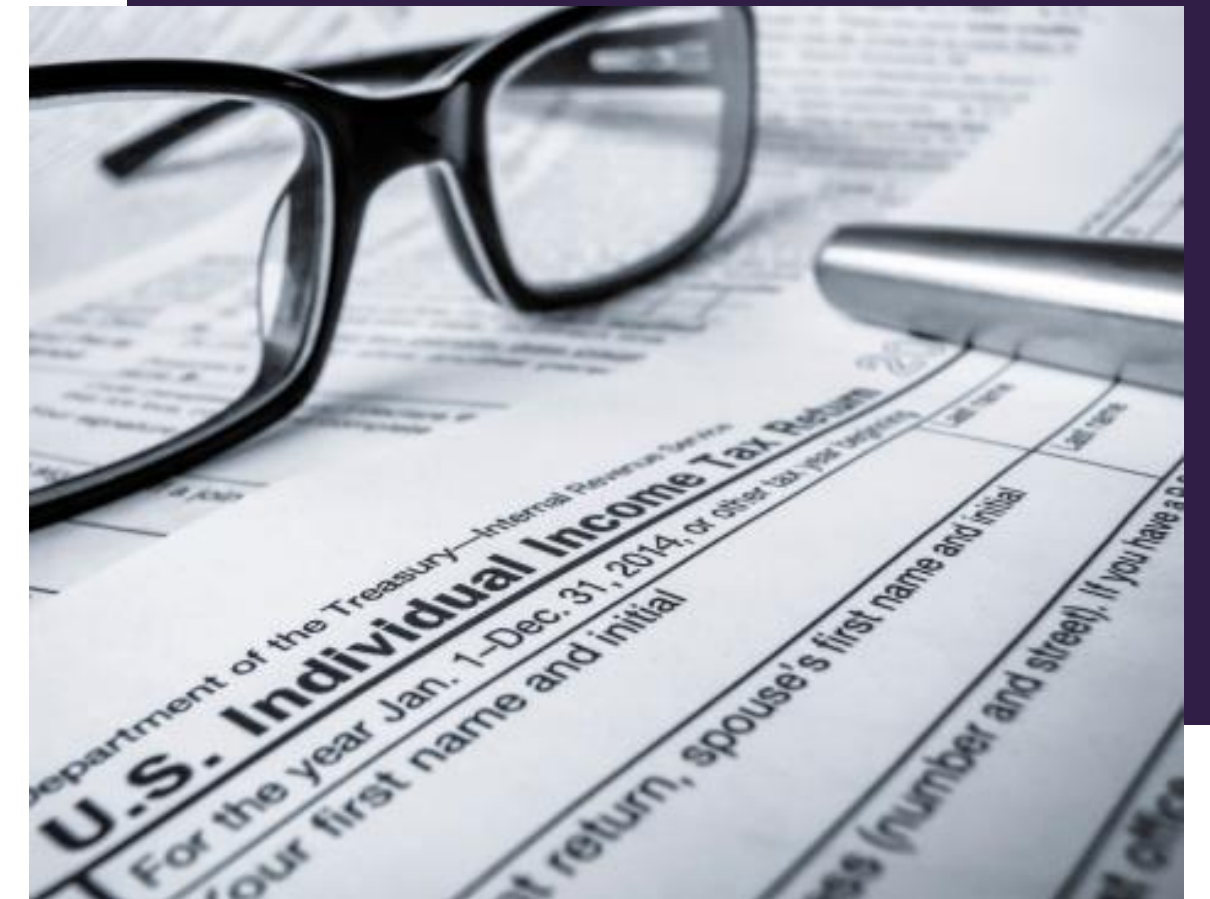
- Required by some colleges and universities

After Students 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
- College websites should describe 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
- Families should review all correspondence from colleges
- College web portals post communications
- Families can create a family email address for the financial aid process so no requests are overlooked



Financial Aid Office

Learn about Financial Aid	<ul style="list-style-type: none">• Financial aid renewability criteria (financial, academic)• How will a private scholarship affect financial aid?
Ask about Special Considerations	<ul style="list-style-type: none">• Changes in family circumstances• Can students appeal their 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

Financial Aid Calculator
Estimate your Student Aid Index (SAI) for the 2025-2026 school year

Parents' Contribution

Category	Value
Assets	\$0
Income	-\$1,826
Total	-\$1,826

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 A	College B	College C
College Cost of Attendance \$45,000			
Student Aid Index (SAI) \$5,000			
Total Eligibility \$40,000			
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

Offer Letters: Types Can Vary

	College A	College B	College C
College Cost of Attendance \$45,000			
Student Aid Index (SAI) \$5,000			
Total Eligibility \$40,000			
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



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 significantly on college costs
- 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

mass.edu/osfa/home/home.asp

- **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
- **MASSAid Portal:** Shows MA state financial aid (there may be none)

mefa.org/paying-college-massachusetts



Free Resources

National and Community Resources

FAFSA Day

- Free assistance completing the FAFSA
- Events held Oct-Feb
- Offered in both English and Spanish
- Register at [FAFSADay.org](https://www.fafsaday.org)

Massachusetts Educational Opportunity Centers

- Non-profit providing free financial aid help and career readiness services
- Schedule an appointment with an education advisor
- [massco.org](https://www.massco.org)

MEFA Pathway

- No-cost college and career planning resource for students in grades 6-12
- [mefapathway.org](https://www.mefapathway.org)

Student Checklist 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

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

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

What You Can Do Now

- Encourage students to get an FSA ID for the student and parent(s)
- Help families research deadlines and required applications

**Register for other
MEFA Institute webinars**



**Sign up for
MEFA's emails**



Connect with MEFA on Social Media



Thank You!

Questions?



(800) 449-MEFA (6332)



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