

# FAFSA Basic Q & A

3/6/09



## 1. What is a FAFSA?

FAFSA stands for Free Application for Federal Student Aid

## 2. Who should submit a FAFSA?

EVERY STUDENT – no matter whether your family income is high, middle or low – Bill Gates could qualify for a federal student loan for his child. CNM requires a FAFSA to award their first semester Bridge Scholarship that covers full tuition.

## 3. Why should I submit a FAFSA?

Depending on the family income, students might qualify for

- **Pell Grants** (do not need to be paid back) – a portion of the money is deposited in the student's account at the school each semester. The school then uses the money to first cover the students direct school expenses, if there is any money left over it can be given to the student to help with related school expenses.
- **Stafford Loans**
  - **Subsidized Stafford Loan** - govt. pays the interest on the loan until the student is no longer in school – 6 months after the student is out of school the student starts making principle and interest payments
  - **Unsubsidized Stafford Loan** – interest payments start when the loan disbursements begin. The student can opt to have the interest payments deferred until the principle payments begin, but the interest amounts are then added to the principle and so the student is then paying interest on the interest.
- **College Work Study** – Students can qualify for jobs on the college campus. The salary earned on the jobs is paid to the student. These are usually jobs that are compatible with the student's class schedule.
- **State loan/SEOG programs**
- **Some scholarships based on financial need require information from the FAFSA**

## 4. How do I apply for a FAFSA?

In the past students could pick up a paper application in high school counselor and college financial aid offices. This year, the government really wants to encourage students to apply on line. To get a paper application one must call 1-800-433-3243 and request a paper application be sent the home.

Official FAFSA website at [www.fafsa.ed.gov/](http://www.fafsa.ed.gov/) (if the web site asks for money – it is a SCAM!!)

## Basic steps

- a. Go to the official FAFSA website at [www.fafsa.ed.gov/](http://www.fafsa.ed.gov/) - There are some scam web sites with similar addresses that charge money for the FAFSA. No one should have to pay to submit or get assistance in completing a FAFSA.
- b. Download and print the FAFSA worksheet
- c. Follow the directions on the web site, complete the worksheet and then the FAFSA application on the web. You will need information from the parent and student federal income tax form. Your Federal Income Tax forms will need to be completed, you do not need to submit them until you would normally do so. Be sure to include the names of colleges that you are considering attending.
- d. It will ask both the student and the parent to request a PIN number, the PIN will be emailed to each of them. Record this PIN so you can reference it in the future. You will use this PIN every year a FAFSA is submitted.
- e. The web site provides a variety of assistance and answers to questions.
- f. In 2-3 weeks you and the colleges that you listed will receive a Student Aid Report (SAR), which provides an Expected Family Contribution (EFC) that colleges use to calculate and determine your student aid package. Many colleges post their COA costs on their financial aid web sites. The student and parent must sign the SAR and turn it into the college's financial aid office.
- g. The college will send the student a letter with the student's financial aid package information. The package will contain amount of Pell grant, student loans, parent loans, institutional scholarships or other sources of financial that the student is eligible to receive. The award letter needs to be signed and returned to the college. This does not mean that the student or parent will automatically receive the loans. If the student or parent wants to receive a loan, they must complete a loan application. More information on this is available from the college's financial aid office.

## 5. Where can I go for help in completing the FAFSA?

Go to the [www.fafsa.ed.gov/](http://www.fafsa.ed.gov/) web site

Call the FAFSA toll free number 1-800-433-3243.

**RRHS Career Center** –896-5616 Ask for the current dates for the RRHS Financial Aid parent information program and the College Go Sunday. The RRHS Career Center also has a variety of printed materials with FAFSA information

**College Financial Aid Offices** – CNM and many other college financial aid offices are glad to provide assistance to students/parents in completing the FAFSA, even if the student will not be attending that college. If you are going in for assistance it is best to call ahead and get an appointment so that you are sure that someone will be available to answer your questions.

## 6. How much financial aid is available?

Pell grant –	Maximum is \$5,350/yr	
Stafford loans -	Freshmen	\$3,500 (max.)
	Sophomores	\$4,500 (max.)
	Juniors/Seniors	\$5,500 (max.)
	Total indebtedness	\$23,000 (max.)

PLUS Loans (Parent loans) – up to the total cost of attendance (ICOE) - The COE is determined by the college's tuition/fees, average cost of books, living board & room, transportation, miscellaneous expenses.

College Work Study – Varies

Scholarships – Varies

## 7. Is there a deadline for submitting the FAFSA?

Most colleges have a priority deadline – the most common priority deadline is March 1, it is best to check with the colleges that you are interested in attending for their deadline. After the priority deadline students can receive Pell Grants and Stafford loans but may not be eligible for state loans or other institutional aid.

## 8. Why does the student need to include the parent income?

Students must include the parent income until they are classified as an independent student. Independent student status requires that the student be 23 by Jan. 1, is married, is a parent, is a foster child, has a bachelor's degree, or is a veteran or serving on active duty. A student is classified as a dependent student even if the student is not living at home or getting any assistance from his/her parents.

## 9. Is there any way to estimate how much my Expected Family Contribution (EFC) will be?

FAFSA.ed.gov provides links to the FAFSA4caster which provides an early estimate of eligibility for federal financial aid assistance.