

# **FAFSA and the Aftermath of Simplification**

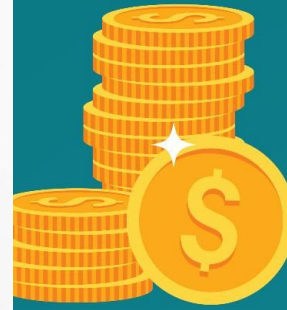
**Triena Bodart**

**Moraine Park Technical College**

# AGENDA

- THE FAFSA
  - WHAT DO I NEED TO FILE THE APPLICATION?
  - WHEN DO I DO THIS?
  - THE APPLICATION
- AWARDING FINANCIAL AID
  - WHAT DOES THIS ALL MEAN?
  - COMPARING OFFERS

# WHAT IS FINANCIAL AID:



Need money for college?

## THE 4 BASIC TYPES OF FINANCIAL AID

### 1 Grants

Grant money is typically based on you and your family's financial situation. They **DON'T** have to be repaid, as long as you meet the requirements.

### 2 Scholarships

Scholarship money is typically awarded based on your accomplishments. It **DOESN'T** have to be repaid, as long as you meet the requirements.

### 3 Work-study

Work-study programs offer career-related work experience, allowing you to earn money while working throughout the school year.

### 4 Student Loans

Student loans **MUST** be repaid. There are various types of student loans, and some have better terms than others. It is important to research and fully understand what you are agreeing to before taking out a loan. Consider the future.

# SCHOLARSHIPS

SELF HELP AID

- SCAMS
- WHERE TO APPLY
- FOUNDATION VS PRIVATE
  - HOW IT GETS REPORTED TO THE SCHOOL
- APPLICATION PROCESS

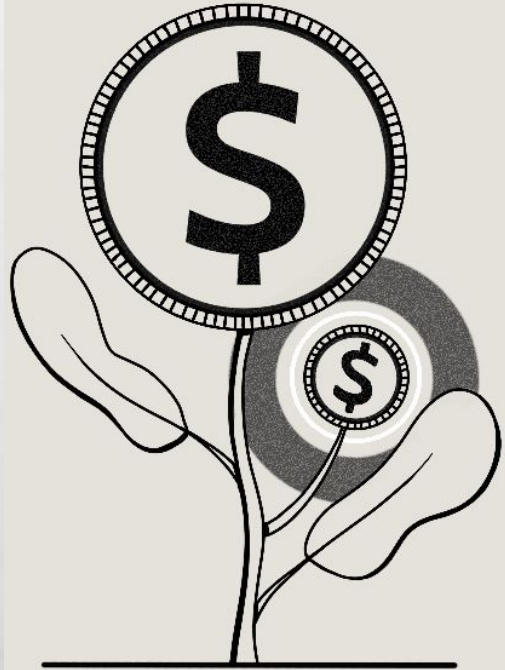


# STUDENT LOANS



- Need based
  - No interest until the student graduates or stops attending
  - UNSUBSIDIZED LOAN
    - Does not require need
    - Has interest from the point of disbursement
    - May pay interest while going to school to keep debt level down
  - PARENT PLUS LOAN
    - Parent is the borrower and uses to assist student with costs
    - Has interest while student goes to school
- 5  
Begin repayment 60 days after full disbursement

# STUDENT LOANS CONTINUED



## Compound Interest

*['käm-,paünd 'in-t(ə-)rəst]*

The interest on a loan or deposit calculated based on both the initial principal and the accumulated interest from previous periods.

 InvestoPe

- Lowest interest rate on the market
  - Interest rates this year: 6.53%
  - Alternative loans typically vary between 8%-15%
- Interest rate is fixed
- Multiple repayment options
- Can begin repayment with out penalty at any time

6  
There are forgiveness options

# THE FAFSA

- ▶ WHEN DO I DO THIS?
- ▶ WHAT DO I NEED TO FILE THE APPLICATION?
- ▶ THE APPLICATION



# WHEN DO I NEED TO DO IT?

## FAFSA

- This year only - December  
May be filed at any time during an academic year, but no earlier than December, prior to the academic year for which the student requests aid
- Institutional deadlines
- Apply early
- Reapply each year





# *WHAT DO I NEED TO DO?*

- STEP 1: Complete College Application(s)
- STEP 2: Create your personal FSA ID
- STEP 3: Submit your FAFSA
- STEP 4: Submit documentation requested by schools



# What is an FSA ID



**WHAT IS AN FSA ID AND WHY DO I NEED ONE?**

An FSA ID is a username and password you use to access your personal information on Federal Student Aid websites and to sign important documents.

Federal Student Aid  
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

[StudentAid.gov/fsaid](https://studentaid.gov/fsaid)

- ✓ Used to sign the FAFSA
- ✓ Also used for corrections
- ✓ Sign your Master Promissory note and Entrance Loan Counseling
- ✓ Sign for Parent PLUS loan

# Who needs to create an FSA ID

- The Student and any “contributors”.
- This is a new term for parent or someone who is required to put their information on their student’s FAFSA.


FAFSA<sup>®</sup> FORM 2024-25 Student Raya Tran

Understanding the FAFSA<sup>®</sup> Form  
2 of 4

### Contributors to the FAFSA<sup>®</sup> Form



**Parents or Spouses**  
Your answers on the FAFSA form will determine if any contributors need to be identified. These contributors will complete their own sections of the form and are asked to provide personal and financial information, but will not become financially responsible for your education.



**How to Invite**  
Contributors will need to log in with their own FSA ID to provide their information. To invite a contributor to your FAFSA form, you'll need to provide their name, date of birth, Social Security number, and email address.

Information or Documents You May Need ▾

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# WHO IS CONSIDERED A CONTRIBUTOR?

- Anyone who is required to provide information on a student's FAFSA form, including the student, the student's spouse, a biological or adopted parent, or the parent's spouse. Being a contributor does not imply responsibility for the student's college costs.
- If your parents are divorced or separated, the contributing parent(s) is the parent (and their spouse, if remarried) who provided the greater portion of your financial support during the 12 months immediately prior to filing the FAFSA. It is not automatically the parent you primarily lived with during the past 12 months.

# FSA ID HELPFUL HINTS

Student and any contributors must have  
12  
their own FSA ID

- You must have separate email addresses
- Do not use High School email
- May be used by students and parents throughout aid process, including subsequent school year
- **ONLY THE OWNER SHOULD CREATE A FSA ID**

Create an Account (FSA ID)

Step 1 of 7

Personal Information

I understand that I'll be required to certify that the information I provide to create an account (FSA ID) is true and correct and that I'm the individual I claim to be.

If I'm not the person I claim to be, I understand that I'm not authorized to proceed and that I should exit this form now. If I provide false or misleading information, I understand that I might be subject to a fine, prison time, or both.

First Name

Middle Initial

Last Name

Date of Birth

# Current look of Studentaid.gov

**i** Because of legislation passed by Congress, [student loan payments have restarted](#). Borrowers can lower their payments, even to \$0, by enrolling in the new [SAVE Plan](#).

An official website of the United States government. [Help Center](#) [Submit a Complaint](#) [English | Español](#)

Federal Student Aid AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION [FAFSA® Form](#) [Loans and Grants](#) [Loan Repayment](#) [Loan Forgiveness](#) [Log In](#) | [Create Account](#)

## Get Ready for Student Loan Payments

[Restarting Payments](#) [Making Payments for the First Time](#)

**POPULAR TOPICS**

- [Apply for Aid Using the FAFSA® Form >](#)
- [Learn About Public Service Loan Forgiveness >](#)
- [Update on Student Loan Debt Relief >](#)
- [Complete a Master Promissory Note \(MPN\) >](#)
- [Complete Loan Entrance Counseling >](#)

**Considering School**  
*I'm thinking about going to college or a career school.*

**In School**  
*I'm in the process of earning a degree or certificate.*

**Parent**  
*I want to help my child pay for college.*

**In Repayment**  
*I have loans I need to repay.*

# THE NEW LOOK



## FAFSA® 2025–26 Coming Soon

We're working to launch the new 2025–26 FAFSA form. [Learn more about the new form timeline.](#)



Need the 2024–25 FAFSA form?

[Log In To Start a New Form](#)

[Log In To Edit Existing Forms](#)

## Check FAFSA® Deadlines for the State You Live In

Some states and schools use information from the FAFSA® form to determine your eligibility for their grants, scholarships, and loans. Check your state's deadlines here!

Missing a state deadline doesn't impact your eligibility for federal student aid, so fill out your FAFSA form even if your state deadline has passed.

School Year

State of Residence

[Find Deadlines](#)

[View All FAFSA Deadlines](#)



# WHAT WILL YOU NEED TO COMPLETE THE FAFSA?



verified account username and  
password (FSA ID)

- Parent or spouse contributor name, date of birth, Social Security number, and email address
- Income and asset information for the student and their contributors such as:
  - Tax returns
  - Records of child support received
  - Current balances of cash, savings, and checking accounts
  - Net worth of investments, businesses, and farms



# Dependent VS Independent

- Independent if:

Homeless, orphan, ward of the court, foster care, legal guardianship, veteran, married, have children you are supporting 50% or more, in graduate school or turning 24.

- Otherwise you must provide parent information.

Who is your parent? Biological parents, not grandparents or foster parents

- They are referred to as “Contributors” on the FAFSA.

# FUTURE ACT DIRECT DATA EXCHANGE (FA-DDX)

- Allows for an individual's federal tax information (FTI) to be directly transferred from the IRS to the FAFSA
- Consent is required by all contributors on FAFSA (unless filed joint taxes)
- IRS transfers information to populate FAFSA income questions for most tax filers
- Eliminates manual entry of tax and income information

# Student Information

FAFSA<sup>®</sup> FORM 2024–25 Student Raya Tran



## Student High School Completion Status

What will the student's high school completion status be at the beginning of the 2024–25 school year?

- High school diploma
- State-recognized high school equivalent (e.g., GED certificate)
- Homeschooled
- None of the above

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# Parent Information

Federal Student Aid

## Help Complete Raya's Form

Alcina,

Raya T can't be eligible for federal student aid without your information. Please complete the Free Application for Federal Student Aid (FAFSA®) form.

Providing information as a contributor does not make you financially responsible for Raya's education costs. Completing the FAFSA form is how they qualify for federal student aid.

- Federal Pell Grants,
- federal student loans,
- state financial aid, and
- school financial aid.

Log in with your FSA ID (account username and password) to complete the form.

**Note: Forms are deleted after 45 days of inactivity.**

Don't recognize Raya? Read [What To Do if You Got an Invitation](#)

Log In

Federal Student Aid  
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### My Activity

#### Raya Tran Wants Your Help on a FAFSA® Form

**Raya Tran** has identified you as a parent on their *Free Application for Federal Student Aid* (FAFSA®) form.

Parents are required to provide their financial and demographic information on the student's FAFSA form. This does not make you financially responsible for Raya's educational costs or any federal student loans they decide to accept.

Visit the [2024-25 FAFSA Help Center](#)

Accept Invitation

Decline Invitation



By accepting this invitation, you agree to share your personal and contact information from your StudentAid.gov account on the student's FAFSA form. Once you accept, your information will be linked to this form.

# AWARDING FINANCIAL AID

- ▶ WHAT DOES THIS ALL MEAN?
- ▶ COMPARING OFFERS



# PRINCIPLES OF NEED ANALYSIS

1. Government's Assumption:  
Parents and students have a certain level of financial responsibility for education.
2. The Government has established an equitable formula to evaluate present financial situation.
3. Special Circumstances - The government authorizes Financial Aid Offices to make professional judgment decisions.

# STUDENT AID INDEX (SAI)

(FEDERAL METHODOLOGY ESTABLISHED BY U.S. CONGRESS)

Number resulting  
from the evaluation  
of a student's  
(and family's)  
approximate  
financial resources  
for a student's  
postsecondary  
education


Student  
contribution

Parent contribution  
(for dependent students)

*Adjustments to SAI may be made due to Verification  
and/or Special Circumstances that limit ability to pay*

# What are the Costs?

TUITION AND FEES  
+ HOUSING AND FOOD  
+ TRANSPORTATION  
+ BOOKS & SUPPLIES  
+ MISC. LIVING EXPENSES  
= COST OF ATTENDANCE (COA)






# FINANCIAL NEED DEFINED

**Cost of attendance (COA)**  
**– Student aid index (SAI)**  
**= Financial need**

# How to Compare College Financial Aid Offers



Tuition and Fees  
+Room and Board  
-Grant/Scholarships  
= Net Cost

# WHAT DOES IT LOOK LIKE TO COMPARE:

1. Compare college aid offers
2. Decide which school will be the best for you
3. Submit accepted aid offer to the school you wish to enroll in

**Financial Aid in Practice**

Private College A	Public University B	
\$46,500	\$16,500	Sticker Price
<b>\$12,000</b>	<b>\$12,000</b>	Expected Family Contribution
\$34,500	\$4,500	Financial Need*

\*In a perfect world, each college would meet 100% of your family's financial need and each of these colleges would cost you \$12,000. This is not always the case.

## Comparing Financial Aid Award Offers

Award A	Award B	
<b>\$10,000</b>	<b>\$4,000</b>	Gift Aid
\$6,000	\$12,000	Federal Loans
\$5,500	\$5,500	Work Study
<b>\$21,500</b>	<b>\$21,500</b>	Total Award

# GET FAFSA HELP

## COLLEGE GOAL WISCONSIN



- FREE PROGRAM TO HELP FAMILIES COMPLETE THE FAFSA (FREE APPLICATION FOR FEDERAL STUDENT AID)
- 49 IN PERSON EVENTS WILL BE HELD ACROSS THE STATE IN OCTOBER AND NOVEMBER
- 4 VIRTUAL EVENTS WILL BE HELD IN OCTOBER
- ATTEND AN EVENT TO BE ENTERED TO WIN A SCHOLARSHIP!
- 97 PERCENT OF THE FAMILIES FELT IT WAS WORTH ATTENDING

*FOR LOCATION INFORMATION AND TO REGISTER VISIT: [HTTPS://COLLEGE GOAL WI.ORG](https://collegegoalwi.org)*

- CELL PHONE (IF YOU HAVE ONE)

# WHAT TO BRING?

2023 FEDERAL TAX RETURN AND W2S OR INCOME ESTIMATES

- 2023 UNTAXED INCOME RECORDS
- INFORMATION ON SAVINGS, INVESTMENTS, BUSINESS ASSETS AND FARM ASSETS (IF APPLICABLE)
- DRIVER'S LICENSE (IF YOU HAVE ONE)
- SOCIAL SECURITY NUMBER
- ALIEN REGISTRATION CARD OR PERMANENT RESIDENT CARD (IF YOU ARE NOT A U.S. CITIZEN)
- FOR PARENT(S): DATE OF BIRTH, SOCIAL SECURITY NUMBER, MONTH AND YEAR OF PARENTS' MARRIAGE/DIVORCE OR SEPARATION, EMAIL ADDRESS

Any  
Questions

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