Learning the Basics about Financial Aid

What is Financial Aid?
Federal and state governments expect families to help pay for college. Financial Aid is federal/state assistance made available to assist families to pay the cost of higher education.

1. “GIFT AID” - does NOT have to be paid back

2. “SELF-HELP AID”
   - Loans - Federal aid that MUST be paid back; may be deferred while in college; repay with interest.

Financial Aid Eligibility
New Students: To Qualify for Federal Aid:
- Be a U.S. citizen or eligible non-citizen
- Have a Social Security Number
- Register with Selective Service (males 18-25)
- Be enrolled or accepted into a degree-granting institution
- Certify that you will use federal student aid only for educational purposes
- Have a high school diploma or GED

Continuing Students. To Continue to Qualify for Federal Aid, add the following:
- Be currently enrolled in eligible Education Goal and eligible Academic Program
- Maintain Satisfactory Academic Progress
- Certify that you are not in default on a federal student loan or owe money on a federal grant

State Eligibility:
- Be a U.S. citizen, eligible non-citizen, or AB540 student
- Be a California resident
- Attend an accredited CA college or university

How to Apply for Financial Aid. One basic form: Either the FAFSA – one application for federal, state, and institutional aid (http://www.fafsa.gov) or the CA Dream Act Application (https://dream.csac.ca.gov/) for undocumented students who qualify under AB540 for state and institutional aid.
- FAFSA stands for Free Application for Federal Student Aid. Do it online.
- When to Apply! You may apply as early as January 1, 2015. Important: March 2, 2015 is deadline for Cal Grant awards. Both the FAFSA and the CA Dream App use 2014 tax information as the base year for collected information for the 2015-2016 academic year.
- Additional Forms
   - Examples: Cal Grant GPA Verification Form, institutional scholarship form, 2014 federal tax information or other income or benefits documentation as requested by school.
What you need to complete the FAFSA: Student and parents should have the following, as applicable:

- Social Security cards (exact name required)
- 2014 federal income tax return. If you or parent(s) have not filed yet, you may use your 2013 income tax returns, but once you have your 2014 income taxes, you will need to update your application.
- 2014 W-2 forms
- Records of other 2014 earnings and/or untaxed income or benefits
- Current bank statements
- Records of child support paid or received in 2014
- Permanent Resident Card (if applicable)
- Current business, farm, real estate, investment records
- Student only: Driver’s License number

FAFSA Information & Common Errors

1. **Complete 2015-2016 FAFSA (not the 2014-2015)**
2. **Name and Social Security Information.** NO nicknames – use name as printed on Social Security Card. If parents do not have a SS#, use 000-00-0000
3. **Student’s grade level in 2015-2016:** Enter “NEVER attended college/1st year undergraduate”
4. **Selective Service:** Males 18-25 MUST register. Can do this online (CA Dream App applicants by mail).
5. **“You” and “Your” ALWAYS refers to THE STUDENT
6. **As part of “Determination of Student Dependency Status” (Step 3):** Answer “NO” to question “As determined by a court in your state of legal residence, are you or were you in ‘legal guardianship’?” UNLESS you have a “Court-ordered” Guardian. This does NOT mean parents.
7. **The Parent section requests marital status of parents.** Selection for 2015-2016 is “Unmarried and both parents living together.” Financial info for both parents in this case MUST be provided, as it is for married parents.
8. **If parents are divorced/separated,** use income of parent with whom the student lives most of the time.
9. **If parent is remarried,** you must include stepparent information and income
10. **When completing income and tax questions,** do not confuse INCOME and INCOME TAX (tax paid after all deductions, etc). Also, report student income and parent income in their separate locations.
11. **Sign** (using the PIN #s) and Submit.
12. **Confirmation page** – PRINT for your records.

What to Expect After Submitting FAFSA or CA Dream Act App

- Make sure your Cal Grant GPA Verification is submitted by March 2nd
- Review the electronic Student Aid Report (SAR). Shows Expected Family Contribution (EFC) and items that may need follow-up. Return to www.fafsa.gov to make corrections, including updated tax info.
- Use the IRS Data Retrieval Tool (available late Feb) to upload tax info electronically.
- Watch your email for financial aid award notifications – timeline differs by school. School may use its own email.
- Contact the Financial Aid Office if you have a special circumstance affecting your income for 2015-2016

How is Financial Aid Determined?

Financial aid is based on “Need,” defined by the Dept. of Education as the difference between household Expected Family Contribution (EFC) and the standard Cost of Attendance (COA) for the academic year (9 months). This is an important point of comparison between colleges. **COA – EFC = Need.** Figure out the best “bottom line” for you.

- Colleges only download FAFSAs that have their school code and that match admissions. Then the school uses the FAFSA and other required documents to estimate aid eligibility.
- Colleges provide notices of estimated aid to admitted students who have completed all forms. The amount of aid can differ based on school and types of aid available and offered.

REMINDER: Reapply for every year you plan to enroll, preferably as soon after January 1st each year as possible.