



Paying for College

Summer G. Nance, AVP Financial Planning

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Topics of Discussion

- What is financial aid?
- Cost of attendance (COA)
- Expected Family Contribution (EFC)
- Financial Need
- Categories, types and sources of financial aid
- Free Application for Federal Student Aid (FAFSA)
- Special Circumstances

What is Financial Aid?

Financial aid consists of scholarships, grants, loans, and work-study provided to students and families to help pay for college expenses.

What is Cost of Attendance (COA)?

- Direct Costs: tuition, fees, room and board
- Indirect Costs: travel, personal, transportation, books and supplies
- Direct and Indirect costs combined into cost of attendance: how much total financial aid you can receive
- Varies widely from college to college

What is Expected Family Contribution (EFC)?

- Calculated using data from the FAFSA
- Amount family can reasonably be expected to contribute
- Stays the same regardless of college
- Two components:
 - Parent contribution
 - Student contribution

What is Financial Need?

Cost of Attendance

– Expected Family Contribution

= Financial Need

Categories of Financial Aid

- Need based aid
- Non-need based aid

Types of Financial Aid

- Gift Aid (money that does not have to be paid back and awarded on the basis of merit, skill, or unique characteristic)
 - Scholarships
 - Grants
- Self-Help Aid (loans, work study- student and/or parent responsible for repayment or earning funds)
 - Loans
 - Employment

Sources of Need Based Aid

Gift Aid

- Pell Grant
- Supplemental Educational Opportunity Grant (SEOG)
- State Aid
- Institutional Aid

Self-Help Aid

- Stafford Loan
- Perkins Loan
- Work-Study

Federal Government Sources

- Pell Grant
 - Eligibility determined based on FAFSA results (EFC)
- Supplemental Educational Opportunity Grant (SEOG)
 - Must be Pell eligible
 - Limited amount of funds available
- Perkins Loan Program
 - Currently at 5% fixed rate
 - 9 month grace period after graduation
- Work Study Program
 - Funds are earned and paid directly to the student (like a real job!)

Federal Direct Stafford Loan Program

■ Subsidized Stafford Loan

- Need based
- Interest 4.29%
- Government pays interest while in school
- 10 years to repay
- 6 month grace period after graduation

■ Unsubsidized Stafford Loan

- Not need based
- Interest 4.29% in-school, deferment, and repayment

Interest rates are determined prior to July 1st each year

Federal Direct Stafford Loan Amounts

■ Annual Loan Limits

- \$3,500 for freshmen (0-29 credit hours)
 - Additional \$2,000 unsubsidized
- \$4,500 for sophomores (30-59 credit hours)
 - Additional \$2,000 unsubsidized
- \$5,500 for juniors (60-89 credit hours)
 - Additional \$2,000 unsubsidized
- \$5,500 for seniors (90- + credit hours)
 - Additional \$2,000 unsubsidized

North Carolina Sources

■ NC Need Based Scholarship

- Must be NC resident attending Private Institution in NC
- Awarded to students with an EFC of 15,000 or less. Amounts range from \$1,200- \$7,000 and are determined by the EFC.

■ Forgivable Education Loan for Service (FELS)

- NC residents that are enrolled in an eligible degree program (Nursing, Middle Grades, Special Ed., etc.) (www.cfnc.org/fels)
- Award amounts range from \$3,000 to \$7,000 depending on your grade level.

■ Other sources for NC residents

- Visit CFNC.org to learn about additional resources available for NC residents

External Sources of Financial Aid

■ Parent Plus Loan

- Apply online, know results within 24 hours (credit based)
- In-school deferment option (no payments while student is enrolled at least ½ time)
- Can borrow up to cost of attendance less other financial aid (can be used to help with other expenses such as books, supplies, fees)

■ Alternative Student Loan

- Student can apply online (most require a credit worthy co-signer)
- Helps student establish credit
- Most lenders defer payments while student is enrolled at least ½ time
- Can borrow up to cost of attendance less other financial aid

■ Foundations, businesses, civic organizations, churches

■ High School Guidance Office

Free Application for Federal Student Aid (FAFSA)

- Collects demographic and financial information about the student and family.
- May be filed electronically after January 1st of each year (available in English and Spanish).
- Used to calculate the expected family contribution (EFC) which colleges use to make awards.
- Most colleges have priority filing deadlines.
- Student and Parent required to have an FSA ID to electronically sign the FAFSA.
- Can use IRS Data Retrieval Tool to transfer income information directly from tax return to FAFSA.

Special Circumstances

- Typically cannot be documented when completing the FAFSA.
- Send written explanation and documentation for the financial aid office at each college.
- Colleges will review and request additional information if necessary.

Examples of Special Circumstances

- Change in employment status
- Unusual medical expenses not covered by insurance
- Change in parental marital status
- Unusual dependent care expenses
- Student cannot obtain parental information

Who do you contact with questions?

- Contact the Financial Aid Office at the school you are interested in with questions about the aid process. Most questions can be answered by telephone or email.
- Once you've applied to college you will be assigned an Admissions counselor who will be your first point of contact. Reach out to the counselor at any time for questions.

Helpful Websites

*****Apply for FSA ID*****

www.fsaaid.ed.gov

Free Application for Federal Student Aid

www.fafsa.gov

College Foundation of North Carolina (FELS, NC Need Based)

www.cfnc.org

Scholarship Search Tools

Fastweb: www.fastweb.com

College Board: <https://bigfuture.collegeboard.org/scholarship-search>