Financial Aid
What You Don’t Even Know You Need to Ask

Sarah Doran
Chief of Staff and Director of School and Department Relations
Student Financial Services
University of Virginia
sbj3w@virginia.edu
A Little Bit about Student Financial Services at UVA

- Financial Aid
- Student Accounts
- Cashier
- Contact Center/Customer Service
- Collections
As a Bursar/Student Finance Professional, what are you trying to accomplish?

- Send out bills
- Collect the money
How Do Students Pay?

Direct Pay

Payment Plans

Merit scholarships

Need-based financial aid

Parent Loans

Private Loans
Financial Aid
What’s in it for me?
Professionally/Personally
The First Conversation

• Two Types of Parents/Student
  o Those who planned to go to college
  o Those who didn't

• No matter which category, if they're requesting financial aid, you’ll want to know some basic information about how it works

• And if you’re getting ready to send a child of your own to college, you’ll want to know about the schools they are considering
Undergraduate Financial Aid

Key Concepts

- Merit vs. Need-Based Aid
- Need Blind Admission
- Net Tuition Revenue
- Cost of Attendance
- Net Price
- Expected Family Contribution
- Financial Need
- Federal vs. Institutional Methodology
- Self Help
Philosophy

• Merit-Based Aid
  Eligibility is based on a variety of categories including academic, artistic, and athletic achievements and abilities.

• Need-Based Aid
  Eligibility is based solely on the assets and income of the prospective student and his or her family.
Need Blind Admission

Students are admitted to the University based on a number of factors, but financial status is not one of them.

The Office of Undergraduate Admission makes their decision without input from Financial Aid related to the family’s ability to pay.
Net Tuition Revenue

In very simple terms, Net Tuition Revenue is the amount of tuition revenue that is available for use to the institution from tuition dollars, AFTER deducting the financial aid that is given to students.
Cost of Attendance (COA)

- Tuition and Fees
- Room
- Board
- Books
- Supplies
- Personal/Miscellaneous
- Travel from and to home
Net Price

Cost of Attendance

Minus

Grants and scholarships for which the student is eligible

Equals

Net price
Expected Family Contribution (EFC)

Determined by a formula using:
• parent income and assets
• student income and assets
• number in the household
• number of children in college
What is Financial Need?

Cost of Attendance (COA) Minus Expected Family Contribution (EFC) Equals Demonstrated Financial Need
Methodologies

Federal Methodology

The Federal Methodology (FM) is the formula used by the federal government to determine your Expected Family Contribution (EFC) for a Federal Pell Grant, campus-based programs, and Federal Subsidized Stafford and Direct Subsidized Loan Programs.
Methodologies

Institutional Methodology

Institutional Methodology (IM) provides an approach to determining the Expected Family Contribution (EFC) that is based on a realistic assessment of both parent and student income and a comprehensive evaluation of all family assets—including investments, real estate and equity in the home, farm, and business.
Self Help

• Includes those types of financial aid available for students to assist with the cost of attendance
  o Need based loans
  o Work- study
Sources of Aid Funding for the Institution

- Federal Grants
- State Grants
- Work Study
- Federal Loans
- Outside Sources
- Athletic
- Gifts/Endowments
- Tuition
**TYPES OF AID**

**GRANTS TO STUDENTS**
- Funds that do NOT have to be repaid
  - Federal - Pell and SEOG
  - State - Virginia Guaranteed Assistance Program (VGAP)
  - Institutional

**WORK STUDY**
- Paid directly to student through university’s Payroll
- Minimum wage and up

**STUDENT LOANS**
- Federal Direct, Subsidized and Unsubsidized
- Private

**PARENT LOANS**
- Federal Direct, PLUS
- Private
TYPES OF AID

DIRECT LOANS

- The loan is in the student’s name
- All Students Are Eligible
  - 1ST YEAR $5,500 (up to $3,500 as subsidized)
  - 2ND YEAR $6,500 (up to $4,500 as subsidized)
  - 3RD AND 4TH YEAR $7,500 (up to $5,500 as subsidized)
- Repayment begins 6 months after leaving school
- The Department of Education is the lender
  - Origination Fee set each year (currently less than 2%)
- Entrance counseling and Master Promissory Note are required before disbursement
TYPES OF AID

DIRECT LOANS

- Subsidized
  - Department of Education pays interest while in school
  - Interest Rate for 13-14: 3.86%
  - Need Based Loan

- Unsubsidized
  - Students have the option to pay interest while in school
  - Interest Rate for 13-14: 3.86%
  - Non Need Based Loan
  - Available for ALL US Citizens and Green Card holder Students
TYPES OF AID

PRIVATE STUDENT LOANS

- Loan is in the student’s name
- Non Need Based
- Not guaranteed by the Federal government
- Requires a credit check
- Most require a credit worthy co-signer
- May borrow up to the COA minus other financial aid
- Most have a variable interest rate (LIBOR or Prime)
- Because of the TILA disclosure, need to allow time for processing
TYPES OF AID

PARENT PLUS LOANS

- Loan is in the parent’s name
- Completed FAFSA is required
- Non Need Based
- Guaranteed by the Federal government
- Requires a credit check
- May borrow up to the COA minus other financial aid
- Has a fixed interest rate; Interest Rate for 13-14: 6.41%
- Repayment begins immediately; Deferments are available
- Origination Fee currently between 4% and 5%
- Application instructions differ by school
How Do Students Apply?

• Free Application for Federal Student Aid (FAFSA) (for federal funds)

• CSS Profile/University Financial Aid Application (for institutional funds)
On-line Resources

• College Navigator
  https://nces.ed.gov/collegenavigator/

• Net Price Calculator (College Board)
  http://netpricecalculator.collegeboard.org/

• FAFSA (Federal Student Aid)
  https://fafsa.ed.gov/

• CSS Profile (College Board)
  http://student.collegeboard.org/css-financial-aid-profile

• Student Loans (Federal Student Aid)
  https://studentloans.gov/myDirectLoan/index.action
The College Board’s
Net Price Calculator

Students »
Explore how to plan and pay for your college education.

Institutions »
Provide personalized information on college costs and financial aid.
Get help paying for college
Submit a Free Application for Federal Student Aid (FAFSA)

New to the FAFSA?
Start A New FAFSA

Returning User?
- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

Login
Welcome to PROFILE. By filling out one form, you can apply online for nonfederal financial aid from almost 400 colleges and scholarship programs.
QUESTIONS?