



FINANCIAL AID

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TIMELINE

When should you encourage your students to apply and complete certain steps in the financial aid process?



THE APPLICATIONS

FAFSA and WASFA

FAFSA

Eligibility requirements:

- U.S Citizen or eligible noncitizen
 - Students who are Eligible Non-Citizens are: Permanent Residents, those with Refugee, asylum, indefinite parole, and holders of T-Visas.
- Valid SSN
- Males must register with Selective Service
- HS Diploma or GED completed

WASFA

Eligibility requirements:

- Must have graduated from a Washington high school or obtained a GED®
- Must have lived in Washington for three years prior to, and continuously since, earning a high school diploma or equivalent
- Sign an affidavit (written promise) to file an application to become a permanent resident of the United States when eligible to apply
- Students with DACA Permits do have a valid SSN, but DACA does not make a student an Eligible Non-Citizen. Students with DACA Permits must file a WASFA application.

Application Information

- Need to be completed annually
- Available October 1st every year.
- Prior Prior Tax Year information is always required (two years back)
 - Example: 2017 for 2019-2020 cycle
- The FAFSA calculates eligibility based on the Expected Family Contribution (EFC). EFC determines Pell Grant and Subsidized Loan eligibility.

THE FSA & WASFA ID

- Both student and parent will need to create an ID for the application with separate email addresses
- Encourage use of personal email addresses since high school addresses may expire
- For FSA ID, a valid social is required
- For WASFA ID, use all zeroes if student or parent do not have a valid social
- Alternative signing options are available for FAFSA, WASFA must be signed electronically through email

These IDs are the student and Parent electronic signature for the application. It is important that they are made with care and are recoverable as students may need them for the entirety of their college careers.

WHAT DO STUDENTS NEED TO FILE A FAFSA OR WASFA

GATHER THIS INFORMATION

The FAFSA asks questions about you and your finances, so have the information below handy.



Social Security number



Alien registration number



Federal tax information or tax returns



Records of untaxed income



Cash, savings, and checking account balances



Investments other than the home in which you live

DON'T HAVE ALL YOUR INFO READY YET?

That's okay; you can start the FAFSA, save it, and come back later to finish it. (To find out whether you need to report info about your parents, visit StudentAid.gov/dependency.)

WHAT FINANCIAL INFORMATION IS REPORTED?

- Tax information from 2 years Prior
- The IRS data retrieval tool will make the FAFSA application easier to fill out. To ensure that the transfer works, make sure the parents type in the address exactly the way it is written on the Tax return.
- When it asks if the parents have investments, if the parent owns multiple homes, any house that is not the residence they live in is considered an investment and the value of the property must be reported on the FAFSA.
- If the student or parent did not file taxes but did work, they need to bring their W2s. If they made more than the filing limit, they must file taxes before the student will be eligible for any financial aid.
- When it asks if the parents have investments, if the parent owns multiple homes, any house that is not the residence they live in is considered an investment and the value of the property must be reported on the FAFSA.

WHAT FINANCIAL INFORMATION IS REQUIRED?

- Using the IRS data retrieval tool will make the FAFSA application easier to fill out. To ensure that the transfer works, make sure the parents type in the address exactly the way it is written on the Tax return.
- When it asks if the parents have investments, if the parent owns multiple homes, any house that is not the residence they live in is considered an investment and the value of the property must be reported on the FAFSA.
- In the dependency questions the student will be asked if they have any children they are financially supporting, they cannot answer yes to this question if they live with their parents and the parents pay for the child's expenses. This is one of the most commonly misunderstood questions on the application.

REPORTING PARENT INFORMATION

- Students need to report biological or adoptive parent information. There are situations where the student lives with an aunt/uncle, brother/sister, grandparents etc., their information cannot be used on either Application.
- If the parent does not have a SSN, put nine zeros for their SSN in the parent information section. Never use an ITIN.
- If the parent is remarried and the student lives with them, they must report step-parent information including tax information even if they were not married for that tax year.
- If both biological parents are living together but are not married, the income has to be added together. If the biological parent lives with a boyfriend/girlfriend, they cannot be added to the FAFSA since they are not married.
- If the student's parents live in Mexico and the student has contact with them, they will need to still provide parent information.

Students with children

Do now have or will you have children who will receive more than half of their support from you between July 1....and June 30.....

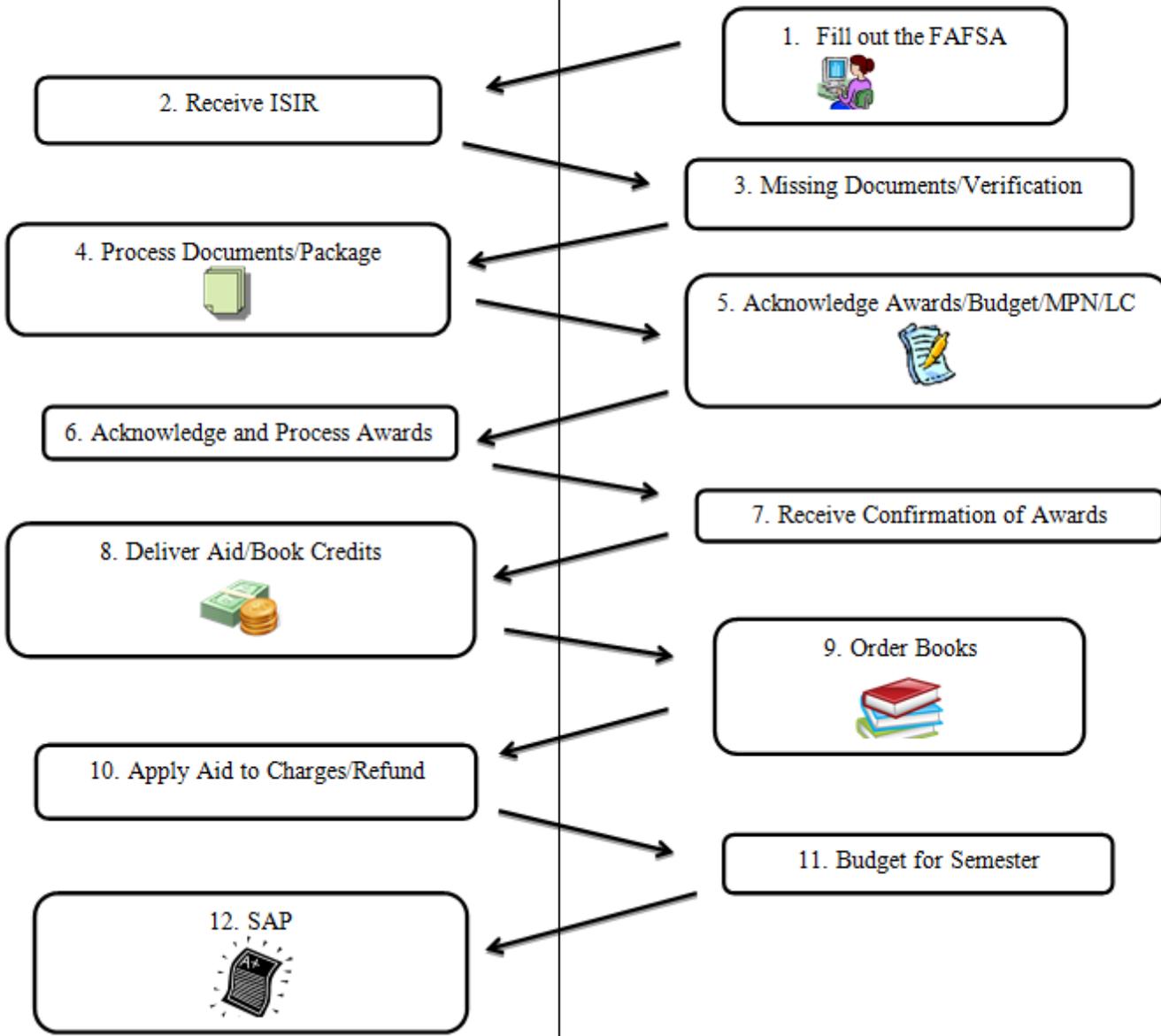
- This is one of the most commonly misunderstood questions on the application. Not all students who have children will be able to answer yes.
 - If student lives with parent(s) and parent is providing support (rent, food, etc.) to student and child, then the answer would to this question would be no.

THE FINANCIAL AID PROCESS

Financial Aid Process

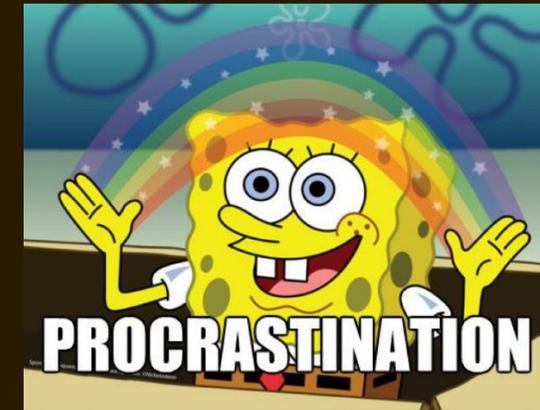
Financial Aid Responsibilities

Student Responsibilities



THE FINANCIAL AID PROCESS

IMPORTANT REMINDER:



DON'T LET YOUR STUDENTS DO IT!!

VERIFICATION

B. FAMILY INFORMATION

List all the people in your parents' household who will be supported by your parents between July 1, 2020 and June 30, 2021.

Be sure to include:

- **Yourself**, even if you don't live with your parent(s)
- **Your parent(s)**, including step parent (If your parents are divorced /separated, use the parent information for the custodial parent who completed the FAFSA).
- **Your parents' other children or other people**, If they now live with your parents and your parents provide more than half of their support and will continue to provide more than half of their support from 7/1/2020 through 6/30/2021.

DO NOT INCLUDE CHILDREN FOR WHOM A LISTED PARENT PAYS CHILD SUPPORT.

DO NOT INCLUDE FOSTER CHILDREN

Include the name of the college for any household member, excluding your parent(s), who will be enrolled at least half time in a degree, diploma, or certificate program at a postsecondary educational institution any time between 7/1/2020, and 6/30/2021.

| Full Name | Age | Relationship | College | Will be Enrolled at Least Half Time |
|------------------------------|-----------|---------------|----------------------------|-------------------------------------|
| <i>Missy Jones (example)</i> | <i>18</i> | <i>Sister</i> | <i>Central University</i> | <i>Yes</i> |
| | | <i>Self</i> | <i>Heritage University</i> | |
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C. INCOME INFORMATION

If you or your parent(s) did not file a 2018 Federal Tax Return please complete section D on the following page.

| Student | TAX RETURN STATUS | Parent(s) |
|--------------------------|--|--------------------------|
| | Check the boxes that apply: | |
| <input type="checkbox"/> | 1. Completed the IRS Data Retrieval Tool process on FAFSA on _____, 20____ | <input type="checkbox"/> |
| <input type="checkbox"/> | 2. 2018 Federal Tax Return Transcript is attached | <input type="checkbox"/> |
| <input type="checkbox"/> | 3. 2018 Federal Tax Return Transcript will be submitted by _____, 20____ | <input type="checkbox"/> |
| <input type="checkbox"/> | 4. Filed an IRS Tax Extension. I have or will attach a copy of the IRS Tax Extension form 4868, and IRS W-2's forms provided by all of my employers. | <input type="checkbox"/> |
| <input type="checkbox"/> | 5. Filed an Amended Tax Return and attached are both a signed copy of the 2018 Amended Tax Return (form 1040X) and the original 2018 Tax Return | <input type="checkbox"/> |
| <input type="checkbox"/> | 6. Did not file a 2018 Federal Tax Return and was not required to file. Must complete section D. below | <input type="checkbox"/> |

STANDARD V-I DEPENDENT VERIFICATION

Dependent students must list everyone who lives in their household that their parents financially support. This includes their parents.

This is not the same as listing everyone that their parents claimed on their taxes. The FAFSA does not look at who claims who. They want you to list everyone your parents currently financially support.

B. FAMILY INFORMATION

List all the people in your household who will be supported by you between July 1, 2020 and June 30, 2021.

Be sure to include:

- **Yourself**, even if you don't live with your parent(s)
- **Your spouse**, if you are married
- **Your children**, if any, if you will provide more than half of their support from 7/1/2020 through 6/30/2021.
- **Other children or other people**, if they now live with you and you will provide more than half of their support and will continue to provide more than half of their support from 7/1/2020 through 6/30/2021.

DO NOT INCLUDE CHILDREN FOR WHOM A LISTED PARENT PAYS CHILD SUPPORT.

DO NOT INCLUDE FOSTER CHILDREN

Include the name of the college for any household member, who will be enrolled at least half time in a degree, diploma, or certificate program at a postsecondary educational institution any time between 7/1/2020, and 6/30/2021.

| Full Name | Age | Relationship | College | Will be Enrolled at Least Half Time |
|------------------------------|------------|---------------------|----------------------------|--|
| <i>Missy Jones (example)</i> | <i>18</i> | <i>Sister</i> | <i>Central University</i> | <i>Yes</i> |
| | | <i>Self</i> | <i>Heritage University</i> | |
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C. INCOME INFORMATION

If you or your spouse did not file a 2018 Federal Tax Return please complete section D below.

TAX RETURN STATUS

Check the appropriate box:

- 1. Completed the IRS Data Retrieval Tool process on FAFSA on _____, 20____
- 2. 2018 Federal Tax Return Transcript is attached
- 3. 2018 Federal Tax Return Transcript will be submitted by _____, 20____
- 4. Filed an IRS Tax Extension. I have or will attach a copy of the IRS Tax Extension form 4868, and IRS W-2's forms provided by all of my employers.
- 5. Filed an Amended Tax Return and attached are both a signed copy of the 2018 Amended Tax Return (form 1040X) and the original 2018 Tax Return
- 6. Did not file a 2018 Federal Tax Return and was not required to file. **Must complete section D. below**

STANDARD V-I INDEPENDENT VERIFICATION

On the FAFSA, it is misunderstood that if you claim someone on your taxes, you then have legal dependents that you financially support. This is not correct. The FAFSA wants to know who you are currently financially supporting, especially when you fill out this form.

TYPES OF FINANCIAL AID

Federal, State, and Private Loans

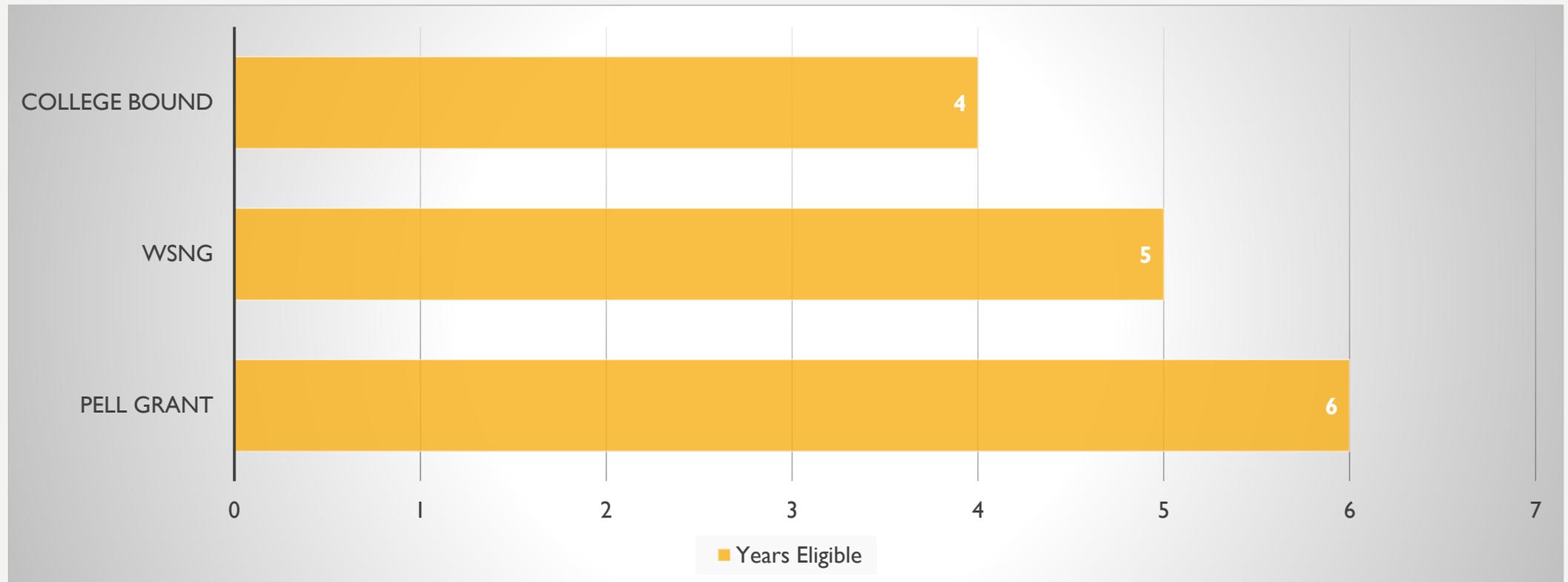
GRANTS

Money from Federal and State government that does not need to be repaid

| | |
|--|---|
| <p>Federal Pell Grant</p> <p>Eligibility based on EFC. For FAFSA Eligible Students Only</p> | <p>Federal Supplement Educational Opportunity (FSEOG)</p> <p>Eligibility based on EFC. For FAFSA Eligible Students Only</p> |
| <p>Teacher Educational Assistance for College and Higher Education (TEACH) Grant</p> <p>Must have at least 3.25 GPA and good test scores May turn into an unsubsidized loan if conditions are not met. For FAFSA Eligible Students Only</p> | <p>Washington State Need Grant (WSNG) and College Bound (CBS)</p> <p>Eligibility based on Median Family Income and state residency requirement For FAFSA and WASFA Eligible Students</p> |

IMPORTANT THINGS TO REMEMBER WHEN TALKING TO A STUDENT ABOUT GRANTS:

All grants have a maximum time frame



WORK STUDY

- It provides part-time employment while enrolled in school.
- It's available to undergraduate, graduate, and professional students with financial need.
- Jobs are available on and off campus.
- Flexible Schedule.
- Build your resume and get real experience.
- Federal Min Wage guaranteed, but must be paid state minimum wage if higher:
 - \$12.00/hr. \$13.50 after Jan 1st

WORK STUDY ELIGIBILITY

- To qualify for Work Study, students must have unmet financial need.
- Students with a DACA permit are eligible for State Work Study if the school offers it.

FEDERAL LOANS

Subsidized loans do not accrue interest

Unsubsidized loans **do** accrue interest

Loans do not have to be paid back until 6 months after graduation or 6 months after dropping below half time enrollment

Can make payments while in school but not required

Parent Plus loans are available

Amount is up to cost of attendance

Loan earns interest

Parent co-signs loan and is based on their credit worthiness

| Dependent | Subsidized | Unsubsidized | Annual Limit |
|-----------------|------------|--------------|--------------|
| Freshman | \$3,500 | \$2,000 | \$5,500 |
| Sophomore | \$4,500 | \$2,000 | \$6,500 |
| Junior & Senior | \$5,500 | \$2,000 | \$7,500 |
| Independent | Subsidized | Unsubsidized | Annual Limit |
| Freshman | \$3,500 | \$6,000 | \$9,500 |
| Sophomore | \$4,500 | \$6,000 | \$10,500 |
| Junior & Senior | \$5,500 | \$7,000 | \$12,500 |

CONVERSATIONS ABOUT FEDERAL STUDENT LOANS

- To award loans, a college/university uses the student's dependency status and year-in-school. All this information should be listed on the student's award letter.
- We always recommend to a student that they borrow their subsidized loan option first since the federal government pays the interest on the loan while they are in school and for the first 6 months after they graduate.
- Other than the way interest is accrued on the loan, the subsidized and unsubsidized loans for undergrads are the same, they both qualify for loan forgiveness options, income driven repayment plans, and have the same interest rate.
- Parents have the option to borrow through the Federal PLUS Loan for Parents if additional funds are needed. This is an unsubsidized loan in the parent's name to help fund their child's education. Parents that don't have a valid SSN can apply for a parent plus loan, if needed. Their application will be denied due to lack of SSNs.
 - PLUS loan denials will make the student independent for loan purposes only and they will receive an additional \$4000 in Unsubsidized loan.

PRIVATE STUDENT LOANS

- Pros:
 - Often do not have loan fees
- Cons:
 - Usually do not have fixed interest
 - Do not qualify for loan forgiveness
- Common lenders
 - Sallie Mae (loan option available for DACA students)
 - Credit Unions/Banks
 - Discover and other credit card companies offer educational loans
- **Always advise students to maximize their federal options they have first!**

ANY QUESTIONS?

THANK YOU!