



Financial Aid 101



OFFICE OF
FINANCIAL AID
UNIVERSITY OF MICHIGAN

Discussion Topics

- What is Financial Aid?
- College costs and planning tools
- Financial Aid eligibility
- Types of financial aid
- Applying for Financial Aid at U-M
- Next steps
- Tips for students and families

What is Financial Aid?

Put simply:

***Money used to
pay for college***

Financial Aid is NOT...



- Credit cards
- Shopping
- Buying a car
- Partying
- Spring break/vacation

What is Financial Aid?

Direct Costs

Paid **DIRECTLY** to the university
(billed twice per year):

- Tuition & fees
- Housing & meals

Indirect Costs

Paid to others and can include:

- Books & supplies
- Personal & miscellaneous items
- Transportation

Cost of Attendance

| | In-State | Out-of-State |
|------------------|-----------------------|-----------------------|
| Tuition & Fees | \$ 15,948.38 | \$ 52,266.38 |
| Room & Board | \$ 12,034.00 | \$ 12,034.00 |
| Books & Supplies | \$ 1,048.00 | \$ 1,048.00 |
| Personal/Misc. | \$ 2,454.00 | \$ 2,454.00 |
| TOTAL | \$ 31,484.38 * | \$ 67,802.38 * |

** This is the maximum amount of financial aid you can receive.*

Compare Colleges & Affordability



- **Planning tools:** finaid.umich.edu/comparecollege
- **College Scorecard:** collegescorecard.ed.gov
compares colleges from around country

What is Your Cost?

Net Price Calculator

- A free, interactive tool that provides estimated net cost
- Uses institutional data
- Calculates individual situations
- npc.collegeboard.org/app/umich

FAFSA4caster

- Free federal tool
- Early estimate for federal student aid
- Offers options to pay for college
- studentaid.gov/understand-aid/estimate

Eligibility: Expected Family Contribution

- Calculated using a federal formula with information from the FAFSA
- Parent contribution and student contribution
- Amount a family can *reasonably* expect to contribute
- The same at every institution



Eligibility: Calculating Financial Need

| | |
|------------------------------------|----------|
| Cost of Attendance (Budget) | \$31,000 |
|------------------------------------|----------|

| | |
|---|------------|
| Expected Family Contribution (EFC) | — \$ 4,000 |
|---|------------|

| | |
|---|--------|
| Other Aid or Resources (such as private scholarships) | — \$ 0 |
|---|--------|

| | |
|--------------------------|------------|
| Your Need for Aid | = \$27,000 |
|--------------------------|------------|

Types of Financial Aid

1



Free
money.

2



Borrowed
money.

3



Earned
money.

Types of Aid: Free Money

Scholarships

- Earned in some way– grades, skills, service, etc.
- Awarded by a variety of organizations
- May, or may not, require FAFSA and/or other applications

Grants

- Need-based
- Must complete FAFSA to apply
- May need to complete other applications such as CSS Profile or other institutional forms

Types of Aid: Scholarships Scams

Watch for:

- Scholarships with application fee
- No contact telephone number
- Unsolicited scholarship opportunity
- Hype or pressure to participate
- Scholarship services who guarantee success
- Social Security number, checking/savings account info

MORE INFORMATION:

- studentaid.gov/resources/scams

Types of Aid: Understand Your Scholarship

One-time vs. Renewable

- If renewable, are there requirements?
 - GPA
 - Major specific
 - Full-time

Tuition-Specific Scholarship

What's the value of the scholarship?

- Full ride vs. partial (*will you have remaining costs?*)

Go Blue Guarantee

- Free U-M tuition for four years on Ann Arbor campus
- Must qualify for in-state tuition and earning first bachelor's degree
- Family income of \$65,000 or less and assets below \$50,000
- Must apply and be eligible for financial aid



goblueguarantee.umich.edu

Eligibility: finaid.umich.edu/go-blue-guarantee-eligibility



Types of Aid: Borrowed Money

- Loans
- Borrow only what is REALLY needed
- Repayment begins after graduation
- Federal Loans from the FAFSA
 - **Subsidized Direct Loans** - student is borrower, interest does not accrue until repayment
 - **Unsubsidized Direct Loans** - student is borrower, interest accrues day 1

Types of Aid: Earned Money

Work-Study allows you to:

- Get paid for your work
- Receive bi-monthly paychecks
- Have flexible work schedules
- Consider on- or off-campus opportunities

Students not awarded Work-Study with their financial aid notice may apply for other jobs on- and off-campus

An aerial photograph of a brick plaza. In the center, a large, light-colored stone arrow points to the right. Inside the arrow, a gold letter 'M' is embedded in the stone. The plaza is paved with red bricks in a repeating geometric pattern. Several people are walking on the plaza, and a bicycle is partially visible on the left side.

Applying for Financial Aid at U-M

Application Process

Two Applications:

FAFSA – studentaid.gov/h/apply-for-aid/fafsa

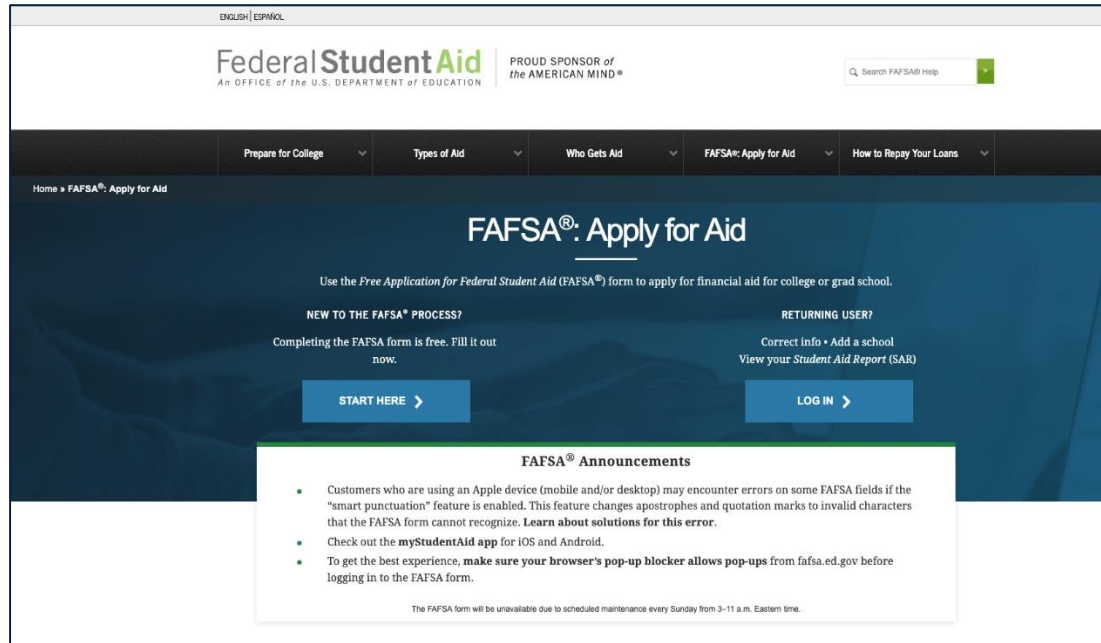
- Free application
- State, Federal, and private financial aid resources

CSS Profile – cssprofile.org

- \$25 application fee
 - Need-based U-M grants and scholarships
-
- Both available October 1
 - Priority deadline: March 31
 - Suggested Filing Date: Dec. 15

Completing the FAFSA

It's free, easy, fast, and more people qualify for student aid than you think.



The screenshot shows the FAFSA website homepage. At the top, there is a navigation bar with the text "ENGLISH | ESPAÑOL" on the left, the "Federal Student Aid" logo in the center, and "PROUD SPONSOR of the AMERICAN MIND" on the right. Below the logo is the text "An OFFICE of the U.S. DEPARTMENT of EDUCATION". A search bar is located on the right side of the header. Below the header is a dark blue navigation menu with the following items: "Prepare for College", "Types of Aid", "Who Gets Aid", "FAFSA®: Apply for Aid", and "How to Repay Your Loans". Below the navigation menu is a breadcrumb trail: "Home » FAFSA®: Apply for Aid". The main content area has a dark blue background with the heading "FAFSA®: Apply for Aid". Below the heading is the text "Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college or grad school." There are two columns of text: "NEW TO THE FAFSA® PROCESS?" and "RETURNING USER?". The "NEW TO THE FAFSA® PROCESS?" column contains the text "Completing the FAFSA form is free. Fill it out now." and a blue button labeled "START HERE >". The "RETURNING USER?" column contains the text "Correct info • Add a school" and "View your Student Aid Report (SAR)" and a blue button labeled "LOG IN >". Below the main content area is a white box titled "FAFSA® Announcements" containing a bulleted list of three items. At the bottom of the page, there is a small text notice: "The FAFSA form will be unavailable due to scheduled maintenance every Sunday from 3–11 a.m. Eastern time." In the bottom right corner, there is a yellow square with a white letter "M".

ENGLISH | ESPAÑOL

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the AMERICAN MIND

Q Search FAFSA® Help

Prepare for College | Types of Aid | Who Gets Aid | FAFSA®: Apply for Aid | How to Repay Your Loans

Home » FAFSA®: Apply for Aid

FAFSA®: Apply for Aid

Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college or grad school.

NEW TO THE FAFSA® PROCESS?
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RETURNING USER?
Correct info • Add a school
View your Student Aid Report (SAR)

START HERE > **LOG IN >**

FAFSA® Announcements

- Customers who are using an Apple device (mobile and/or desktop) may encounter errors on some FAFSA fields if the "smart punctuation" feature is enabled. This feature changes apostrophes and quotation marks to invalid characters that the FAFSA form cannot recognize. [Learn about solutions for this error.](#)
- Check out the [myStudentAid app](#) for iOS and Android.
- To get the best experience, **make sure your browser's pop-up blocker allows pop-ups from fafsa.ed.gov** before logging in to the FAFSA form.

The FAFSA form will be unavailable due to scheduled maintenance every Sunday from 3–11 a.m. Eastern time.

Completing the FAFSA: FSAID

Create a New FSA ID

An FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.

Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

To create your own personal FSA ID, enter answers for the questions below and select CONTINUE.

Important: When you are done click the CANCEL button to clear your data, even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.

Create An FSA ID | Edit My FSA ID

* Required

E-mail

Confirm E-mail

Username *

Password *

Numbers Uppercase Letters Lowercase Letters Special Characters 8-30 Characters Show Text

Confirm Password *

Are you 13 years of age or older? * I am 13 years of age or older. I am 12 years of age or younger.

[Edit My FSA ID](#)

[Frequently Asked Questions](#)

CONTINUE

FSAID

- Student *AND* one parent
- fsaid.ed.gov
- Allows student and parent to sign FAFSA electronically
- Each needs individual FSAID profile

Completing the FAFSA: What Should I Expect?

- Three of four sections are student information
- One section is for parents or legal adoptive parent
- “As of today” language
- Any person assigned the sex of male at birth must register with the Selective Service

sss.gov



Completing the FAFSA: Who?

Each student

- Parent data can be transferred for multiple children

Parent(s)

- Both parents (biological, step-parent, adoptive) if married
- Only one parent if single, divorced, or separated (the one the student lives with)
- If both parents live in the same house and are not married both incomes go on FAFSA

Dependent vs. Independent

Dependent (most students are dependent)

- Requires parental information

Independent (No parental information required if):

- Married
- At least 24 years old
- At any time since you turned age 13, both your parents were deceased, you were in foster care, or you were a Ward of the Court/State
- Have a dependent that you provide more than 50% support for
- Homeless

Completing the FAFSA: Why?



- Expected Family Contribution (EFC) determines your aid eligibility
- Single application for multiple sources of aid
- Can list up to 10 schools on your application

Completing the FAFSA: When?



- The FAFSA is available on **October 1** using earlier tax information
- State of Michigan deadline is **March 1**
- U-M deadline is **March 31** (we recommend completing applications by March 1 in case additional documentation is needed).
- FAFSA is an annual application. *File it every year!*
- If you apply by the suggested filing date of **Dec. 15**, and are admitted Early Action, you will receive a preliminary financial aid package within a week of your admission.

Completing the FAFSA: How?

- IRS Data Retrieval (preferred) or 2019 Tax Return
- Bank/asset statements
- Child support (paid or received)
- Other untaxed income received except social security

Completing the FAFSA: Frequent Errors

- Social Security numbers
- Divorced/remarried parental information
- Student/parent income
- Untaxed income
- Real estate & investment net worth
- U.S. income taxes paid
- Household size
- Number of household members in college
- Work-Study preferences

What's Next?

Make necessary FAFSA corrections

Complete institutional forms

- CSS Financial Aid Profile
- Scholarship applications
- Verification
 - Additional documentation (Federal Tax Transcripts, W-2s)
- Estimated Aid Notices will be sent in early 2021
 - Based on initial calculated need
 - Not binding, simply an offer



Reporting Special Circumstances

- Change in employment, death, marital status, one-time significant benefit, large out of pocket medical expenses, etc.
- Cannot report on FAFSA
- Send explanation to each financial aid office
- All special circumstances will be reviewed and a FINAL decision will be made
 - Cannot appeal this decision to Department of Education

Next Steps for Students & Families



- Consider payment plans
- Know before you Go Blue!
- Satisfactory Academic Progress
- Apply for scholarships every year
- Meet all deadlines
 - Check & respond to your email
 - Check & respond promptly to request
- Problems/issues
 - Talk to the experts on campus

Thank You

Office of Financial Aid

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Outreach Unit

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