



# Financial Aid 101

**SUNY Orange**

**Financial Aid Office**

**Presented by: Frank Samuels, Rosemary Barrett and Judy Cunningham**

# Free Application for Federal Student Aid – FAFSA

Apply on-line at: [www.fafsa.gov](http://www.fafsa.gov)  
2016–2017 FAFSA available January 1, 2016

The earlier, the better (for some types of aid)  
Check colleges' web sites for priority deadlines  
Can complete with estimated tax figures and make corrections later

# FAFSA on the Web (FOTW)

## www.fafsa.gov

Federal Student Aid  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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FAFSA™  
Free Application for Federal Student Aid

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### Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)



<b>New to the FAFSA?</b>	<b>Returning User?</b>
<a href="#">Start A New FAFSA</a>	<ul style="list-style-type: none"><li>• Make a correction</li><li>• Add a school</li><li>• View your Student Aid Report (SAR), and more...</li></ul> <a href="#">Login</a>

- Apply for FSA ID
- FAFSA Application
- Retrieve IRS data
- Find college codes
- Add additional colleges
- Check status of FAFSA
- Make corrections
- Print SARs

# 2016–2017 FAFSA Changes

**Changes made to 2016–2017 FAFSA**

**Paper FAFSA colors orange and purple**

**No questions added/deleted**

**What is the FAFSA? section now page 2**

**Instructions consolidated on pages 9 and 10**

# Federal Student Aid ID (FSA ID)

- ▶ FSA ID replaced PIN in May 2015
- ▶ Like PIN, required for both student and parent (if dependent) to electronically sign FAFSA
- ▶ Is username and password
- ▶ User also has 5 challenge questions
  - 2 from a list of possible questions
  - 2 created by user
  - 1 with important date



A screenshot of the FSA ID login interface. It features a white background with a black border. On the left side, there are four lines of text: 'FSA ID Username or E-mail Address', 'FSA ID Password', 'Create an FSA ID', and 'Forgot Username or Password?'. Below these is a line of text: 'For assistance, call 1-800-557-7394.' On the right side, there are two white input boxes stacked vertically, and a green 'Log In' button below them.

# Federal Student Aid ID (FSA ID)

- ▶ **If user forgets FSA ID username:**
  - Will have option to answer challenge questions or receive email with secure code
    - Challenge questions no longer case sensitive
  - After successfully answering challenge questions or entering secure code from email, username appears on screen
- ▶ **If user forgets FSA ID password:**
  - Same steps as above, only user then directed to create new password
  - If user chose challenge questions, must wait 30 minutes to use new password

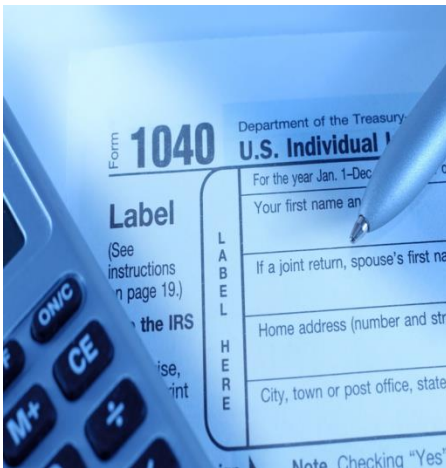


# FAFSA on the Web IRS Data Retrieval

- ▶ If applicant indicates filed taxes on FOTW, will be prompted to use IRS data interface
  - If chooses not to use IRS interface will be subject to selection for verification
- ▶ IRS data available:
  - 2 to 3 weeks after federal tax forms filed electronically (70% of filers)
  - 8 to 11 weeks after paper federal tax forms filed (some have experienced longer delays)
- ▶ **If there is unpaid tax obligation to IRS, tax returns won't be processed until May or June 2016**



# FAFSA on the Web IRS Data Retrieval



- ▶ **IRS data retrieval can be used:**
  - While completing original FOTW
  - As a later correction to FOTW
- ▶ **Applicants will receive automatic reminder emails to go back to FOTW and use IRS data retrieval if:**
  - They provided estimated tax figures on the FOTW
  - Provided actual tax figures on FOTW but did not use IRS data retrieval



# Items Populated on FOTW from IRS

## Data Retrieval

- ▶ Adjusted gross income
- ▶ U.S. income taxes paid
- ▶ Untaxed IRA distributions, pensions
- ▶ Education credits
- ▶ IRA deductions
- ▶ Tax exempt interest
- ▶ Student's and parents' income from work if:
  - Marital status is other than married
  - If 'married', total income from work from tax form will appear on screen and will need to be separated by student or parent for entry into FOTW fields

The image shows a screenshot of the IRS Form 1040 (2005) with several sections highlighted in blue. The sections include:

- Tax and Credits:** Lines 38 through 55, covering items like Taxable income, Alternative minimum tax, Foreign tax credit, and various credits (child, education, retirement, etc.).
- Other Taxes:** Lines 56 through 63, including self-employment tax, social security and Medicare tax, and additional taxes on IRAs.
- Payments:** Lines 64 through 71, detailing federal income tax withheld, estimated tax payments, and other payments.
- Refund:** Lines 72 through 74, showing the amount of refund and the amount applied to the 2004 return.
- Amount You Owe:** Lines 75 through 76, indicating the total amount owed and the estimated tax penalty.
- Third Party Designee:** A section for designating a third party to discuss the return with the IRS.
- Sign Here:** A section for the taxpayer's and preparer's signatures.
- Paid Preparer's Use Only:** A section for the preparer's information.

# FAFSA on the Web

## IRS Data Retrieval



- ▶ **Who CANNOT use IRS data retrieval:**
  - Married couples who filed separate tax returns
  - Married couples if one filed as head of household
  - Student's legal parents are unmarried and living together
  - Filed an amended return (must submit original 1040 and 1040x to school)
  - Filed Puerto Rican or foreign tax return
  - Filed tax return too recently
  - Applicants whose marital status changed since January 1 of the processing year

# FAFSA on the Web

## IRS Data Retrieval Tips

- ▶ **SSN, name, date of birth and address must match those used on tax return**
  - **Have a copy of tax return to refer to**
- ▶ **Trickiest part is street address, due to abbreviations and periods**
  - **St. does not match St or Street**
  - **3<sup>rd</sup> does not match 3 or Third**
  - **See where PO box or Apt # is entered on tax form and use that same location on IRS data retrieval screen**

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning _____, 2014, ending _____, 20		See separate instructions.
Your first name and initial	Last name	<b>Your social security number</b> .....
If a joint return, spouse's first name and initial	Last name	<b>Spouse's social security number</b> .....
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		<b>▲ Make sure the SSN(s) above and on line 6c are correct.</b>
Foreign country name	Foreign province/state/county	Foreign postal code
<b>Filing Status</b> <b>1</b> <input type="checkbox"/> Single <b>2</b> <input type="checkbox"/> Married filing jointly (even if only one had income) <b>3</b> <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶ <b>4</b> <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ _____ <b>5</b> <input type="checkbox"/> Qualifying widow(er) with dependent child		

**Presidential Election Campaign**  
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  
 You  Spouse

**Get My Federal Income Tax Information**

See our [Privacy Notice](#) regarding our request for your personal information.

Enter the following information from your 2014 Federal Income Tax Return. [?](#) Required fields \*

First Name *	<input type="text"/>
Last Name *	<input type="text"/>
Social Security Number *	*** - ** -
Date of Birth *	<input type="text"/> / <input type="text"/> / <input type="text"/>
Filing Status * <a href="#">?</a>	Select One ▼
Address - Must match your 2014 Federal Income Tax Return. <a href="#">?</a>	
Street Address *	<input type="text"/>
P.O. Box (Required if entered on your tax return) <a href="#">?</a>	<input type="text"/>
Apt. Number (Required if entered on your tax return)	<input type="text"/>
Country *	United States ▼
City, Town or Post Office *	<input type="text"/>
State/U.S. Territory *	Select One ▼
ZIP Code *	<input type="text"/>

If tax preparer put Apt # in 1040 Home Address box, put Apt # in Street Address box of IRS data retrieval screen.

If Apt # is on Apt. no. box of 1040, then enter in Apt. Number box on IRS data retrieval screen.

May also be an issue with PO Box.

# FAFSA on the Web

## IRS Data Retrieval

- ▶ If family can't use IRS Data Retrieval, will need to produce official IRS tax return transcript if selected for verification
- ▶ <http://www.irs.gov/Individuals/Get-Transcript>
  - Can order tax return transcript online that will come in the mail
  - Or, can order by phone (800) 908-9946
  - Allow 5-10 days for mail delivery



# Criteria for Independent Applicant

- ▶ At least 24 years old by December 31<sup>st</sup> of the award year covered by the FAFSA
- ▶ Graduate or professional student
- ▶ Married (does NOT include cultural marriage)
- ▶ Has legal dependents other than a spouse who receive more than one half of their support from the student during school year
- ▶ Any time since turning 13 was/is an orphan, in foster care, or ward of the court
- ▶ On active duty or veteran of the U.S. Armed Forces
- ▶ Emancipated minor or in legal guardianship as determined by a court (by someone other than parent)(Not in NYS)
- ▶ Unaccompanied homeless youth as documented by:  
(high school/district homeless liaison, authorized shelter administrator, financial aid administrator interview)

# FAFSA Results

- ▶ Student notified of FAFSA processing results by:
  - E-mail notification with link to student's SAR online if student's e-mail address provided:
    - FAFSA on the Web (takes 1–2 days if electronically signed with FSA ID; 2 weeks if mailed in signature page)
    - Make sure student adds federal email address to address book to avoid delivery problems  
[FederalStudentAidFAFSA@cpsemail.ed.gov](mailto:FederalStudentAidFAFSA@cpsemail.ed.gov)
  - If student has a FSA ID, can view SAR online at [www.fafsa.gov](http://www.fafsa.gov) and make corrections
    - **Don't forget to sign corrections!**

# If Selected for Verification



- ▶ **Verification items tailored to each student and indicated on SAR/ISIR**
  - Some students may need to verify all items; others not
- ▶ **If items limited to data from tax return, verification can be accomplished through IRS data retrieval process alone**
- ▶ **If verification items include both tax return and other items**
  - Verification worksheet sent by college



# Professional Judgment

- ▶ Normally, a family's Expected Family Contribution (EFC) is based on income for the previous tax year
  - For 2016–2017 academic year, tax year 2015
- ▶ Financial aid administrators can use their “professional judgment” to alter data on the FAFSA for special circumstances (e.g., unemployment)
  - E.g. use 2016 income rather than 2015
- ▶ Adjustments are typically performed as corrections by the financial aid office after the original FAFSA is submitted and verified



# Professional Judgment

- ▶ **Common examples include:**
  - Significant change in income from past tax year based on **unemployment, underemployment**, death, divorce, military service or natural disaster
  - Unusually high medical expenses
  - Nursing home expenses
  - Dependency override
- ▶ **Family should contact financial aid administrator to discuss unusual circumstances**

# What is a Dependency Override?

- ▶ Gives financial aid administrator authority to allow otherwise dependent applicant to apply as independent applicant due to unusual circumstances
  - Parental abuse, abandonment, incarceration, parents in another country, etc.
  - Not used simply because student lives outside parent household after age 18 or parents object to providing data
- ▶ Must be supported by documentation, preferably by someone outside immediate family, such as legal, medical, governmental or religious affiliation
- ▶ Student should contact financial aid office for instructions after submitting FOTW without parental data

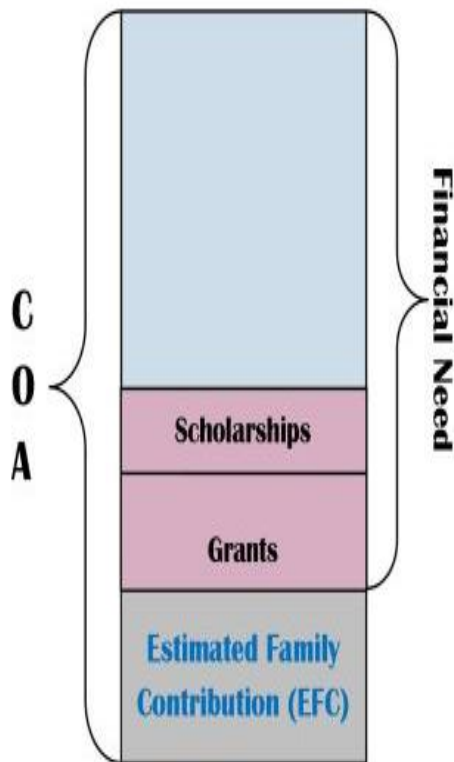
# Changes Coming for 2017–2018 FAFSA



- ▶ Will use prior–prior year tax information
  - 2015 instead of 2016
  - Should avoid problems with tax information not being ready when FAFSA is filed
- ▶ FAFSA processing will start:
  - October 1, 2016 instead of January 1, 2017
  - Colleges encouraged to send out award notices earlier to give students more time to make informed decisions
  - 2017–2018 FAFSA IRS data retrieval tool will direct families to 2015 IRS tax information
- ▶ Still problems with Pell Grant and State Grant not being finalized until later in 2017

# Sources of Financial Aid

# Packaging Financial Aid



- ▶ In general, need-based financial aid cannot exceed cost of attendance (COA) minus EFC
- ▶ Remaining need after grants and scholarships typically covered by workstudy or loans
- ▶ Some forms of financial aid can replace all or portion of EFC (Unsubsidized Stafford Loan, PLUS Loan, certain private loans and scholarships, etc.)

# Federal Grants & Scholarships

## Pell Grant

**(2016–17 amounts not yet announced)**

**FSEOG Up to \$4,000**

**TEACH Grant \$4,000**

**(slight reductions under sequestration)**

# Federal Changes



- ▶ **Students need high school credential to qualify for federal financial aid**
- ▶ **Limited Ability-to-Benefit reinstated for students lacking high school credential**
  - **Students first enrolled in college on/after July 1, 2015, in eligible Career Pathways program**
  - **Must pass federally-approved Ability-to-Benefit test or successfully complete 6 college credits at college attended**
  - **Awarded Federal Pell Grant from alternate Pell Grant award table (Maximum award is \$4,860, not \$5,775)**



# Federal Perkins Loan Terminated

- ▶ **Low-interest (5%) federal student loan for neediest students**
  - Heaviest volume at 4-year campuses
- ▶ **Had several options for annual loan cancellations (teachers, public service, etc.)**
- ▶ **Students who received their first 2015–2016 Perkins disbursement prior to 9/30/15 still eligible this school year**
- ▶ **Limited grandfathering (up to 5 years of additional loans) for students who received Perkins Loan before 6/30/2015 and are still enrolled in same college and program**

# Institutional and Outside Scholarships

- ▶ Check the SUNY Orange Financial Aid Web Site for Entering Freshmen Scholarships
- ▶ Any College you plan to attend Scholarship Web Site
- ▶ New York State Grants and Scholarships for NYS Resident. <http://www.hesc.ny.gov>

# Institutional and Outside Scholarships (continued)

- ▶ Student should check with local businesses, civic organizations, parents' employers
- ▶ Most high schools compile lists of local scholarships
- ▶ Free internet search sites:
  - [www.collegeboard.com/pay](http://www.collegeboard.com/pay)
  - [www.scholarshipamerica.org](http://www.scholarshipamerica.org)
  - [www.fastweb.com](http://www.fastweb.com)
  - [www.studentscholarshipsearch.com](http://www.studentscholarshipsearch.com)
  - [www.gocollege.com](http://www.gocollege.com)
  - [www.scholarshiphelp.org](http://www.scholarshiphelp.org)
- ▶ Students should be sure to report any private scholarships to the financial aid office



# Federal and Local Work Study

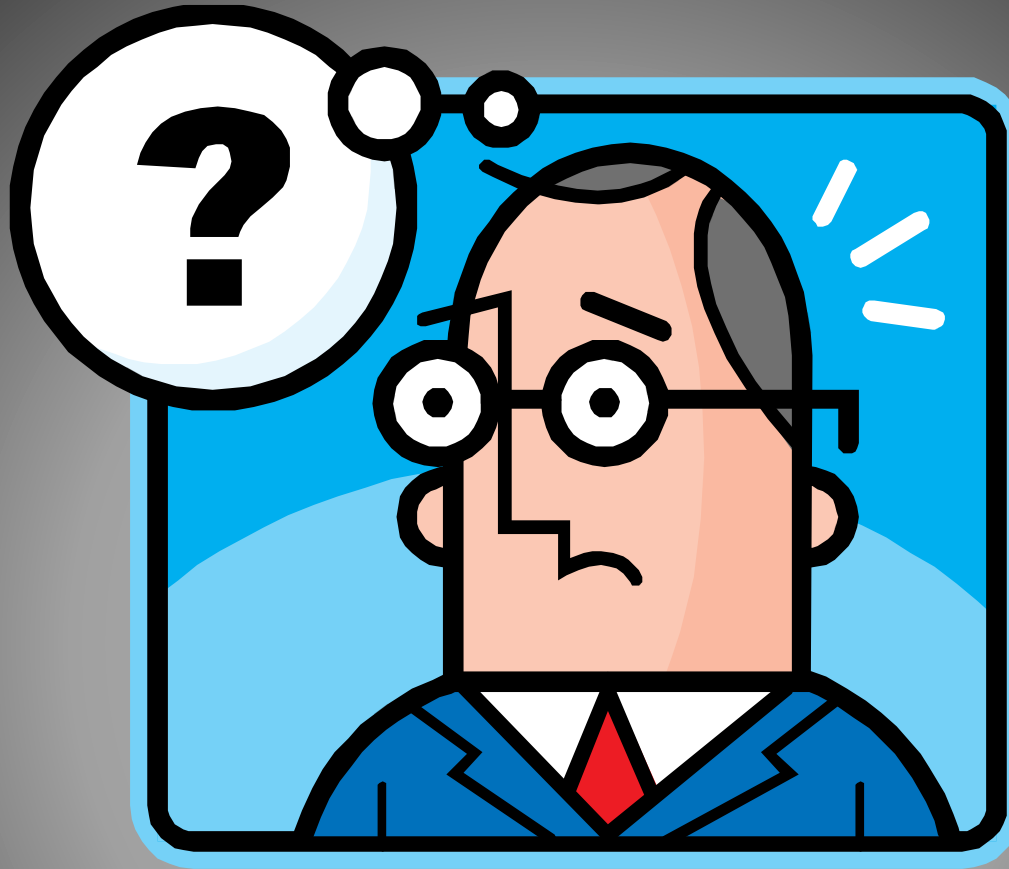
- ▶ Undergraduate students are eligible
- ▶ Employment may be on or off campus – resume builder!
- ▶ May work during summer
- ▶ Wages won't count against student's future financial aid eligibility on FAFSA
- ▶ Respond 'Yes' to Work Study question on FAFSA
  - Contact financial aid office for further information



# Student Loan Programs

## ■ Direct Student Loans

- Subsidized: based upon financial need; check [Student Loans.gov](http://StudentLoans.gov) For interest rates
- Unsubsidized: not based upon need; check [Student Loans .gov](http://StudentLoans.gov) For interest rates
- Total Freshman Direct Loan can not exceed \$5,500. With a Maximum Subsidized loan not exceeding \$3500.
- **Parent Plus Loans:** check [Student Loans.gov](http://StudentLoans.gov) for interest rates



# Questions and Answers