

FAFSA Checklist

Create your FSA ID and start your FAFSA!

Create student & parent Federal Student Aid ID (FSA ID) at StudentAid.gov/FSAID

Student's FSA ID

Username: _____

Password: _____

Email: _____

Mobile Phone: _____

Challenge Question Answers:

1. _____ 2. _____
3. _____ 4. _____

Parent's FSA ID

Username: _____

Password: _____

Email: _____

Mobile Phone: _____

Challenge Question Answers:

1. _____ 2. _____
3. _____ 4. _____

File your Free Application for Federal Student Aid (FAFSA) at fafsa.gov

Helpful information when filing the FAFSA:

- Date of Birth
- Social Security Number/Alien Registration Number
- Tax return
- W2's
- Current bank statement
- Investment records (non-retirement)
- Real Estate/Rental Property (excluding the one you live in)
- Federal work study earnings
- Money received or paid on your behalf
- Child support paid or received
- Veterans non-education benefits

APR 15

**FAFSA deadline
for State of
Indiana grants**

Contact INvestEd with any questions!
Email: Outreach@INvestEdIndiana.org
Phone: 317-715-9007
INvestEdIndiana.org



How to...?

Create Your Federal Student Aid (FSA) ID

Your FSA ID is a username and password that is unique to each student and parent. It serves as an electronic signature for the Free Application for Federal Student Aid (FAFSA) and the federal student loan processes. Keeping this information secure is very important!

1. → Go to StudentAid.gov/FSAID or choose the FSA ID icon on the FAFSA.gov webpage.
→ Select the "Create an FSA ID Now" button.

Create an FSA ID Now

Enter the following information:

Email - Must be unique to the individual requesting the ID.

Note: Students - we encourage you to use your high school or college email address.

Username - Anything you will remember and hasn't already been taken.

You will see a message that says "Username Available" or "Username Taken" once you meet the minimum field requirements.

Password - Anything you will remember that meets the password criteria and minimum field requirements.

Note: Passwords expire every 18 months.

Click on the "?" at the end of each line for a helpful tip on what is required for each field.

2. → Enter personal identifiable information like social security number, date of birth, and name.
→ Confirm profile information provided and/or complete the required data elements like address and phone numbers.

Complete the Challenge Questions section

You will need to pick 2 questions

You will then create 2 questions

Enter a significant date in your life

Note: Do not use your own birthday

The "Show Text" box on various fields allows you to see hidden text. This may be helpful as you confirm your answers.

3. → Review your information and click on the check box, agreeing to the terms and conditions for using your FSA ID
→ Verify your email (keep your current screen open):
 - Open your email account in another device or window.
 - Find the email with the subject line "Important: Your FSA ID E-mail Validation - Action required."
 - Take the 6-digit code in the email and enter it back on the FSA ID screen.

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Finalizing Financial Aid

→ After Filing the FAFSA

- Review Student Aid Report (SAR) on FAFSA website (fafsa.gov) to view comments by the federal processor identifying errors or additional steps you need to take.
Note: Any changes to the FAFSA must be signed with the appropriate FSA ID(s) and submitted.
- Register for ScholarTrack on the State of Indiana website (scholartrack.in.gov) and review details associated with your state grant eligibility.
- Contact each college/university for which you are accepted and still considering to determine if they need any additional information and respond by each deadline.

DEADLINES!

Colleges/Universities may have different deadlines regarding information they need - so ask!

Selected for Verification?

Verification is a process required by federal regulations. The college/university financial aid office must confirm elements of your FAFSA, which may include but are not limited to:

- ✓ Tax Information
- ✓ Number attending college (excluding any parent)
- ✓ Number in the household
- ✓ Child support paid



Check your Student Aid Report (SAR) and ScholarTrack each time you update and resubmit your FAFSA. Also look for any additional information requests from each college/university.

→ Compare and Finalize Financial Aid Award Packages

- Use INvestEd's College Cost Comparison Worksheet on INvestEdIndiana.org to compare award letters.
- Review borrowing options using INvestEd's Student Loan Comparison Sheet available on INvestEdIndiana.org
- Talk with each college/university's financial aid office regarding the steps required to accept your awards, obtain work study jobs, and secure loans.

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Scholarship Search Help

- ✦ It's never too soon to begin searching and applying for scholarships.
- ✦ Get organized with a binder and calendar to keep track of applications, essays and deadlines.
- ✦ Balance your search time and application submissions between local options and national search engines.
- ✦ If a search site asks you to create a profile, take the time to answer the questions and fill in as many details as possible. Use as many personal qualities, hobbies, skills, or talents as you can.
- ✦ Beware of scams. Never pay a fee to do a scholarship search or give out financial information.
- ✦ Don't be afraid of essays, just get started and ask for feedback. Concisely communicate your challenges, successes, goals and contributions.
- ✦ Pay attention to the details regarding scholarship requirements and deadlines.
- ✦ Spend a couple of hours each week on scholarship searches and submitting applications to increase your opportunities and minimize stress.
- ✦ Continue your search for scholarships through college.

More tips and information available on our website at:
INvestEdIndiana.org/literacy/scholarships

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Quick Guide to Financial Aid

A few weeks after filing the Free Application for Federal Student Aid (FAFSA), you will receive a copy of your Student Aid Report (SAR) with your Expected Family Contribution (EFC). The prospective college(s) will receive your FAFSA information as well. Each school you applied to will send you a Financial Aid Award Letter, breaking down the college costs and summarizing your eligibility for each type of financial aid. The aid offered in the letter will be based on your demonstrated financial need, which is equal to the Cost of Attendance (COA) minus your EFC. To understand the financial aid process better, here are the key terms you need to know:

Free Application for Federal Student Aid (FAFSA): The FAFSA is a form used to apply for student financial aid from the federal and state government, as well as most colleges and universities. The government uses the information from your FAFSA to determine your expected family contribution (EFC). You can file the FAFSA at www.fafsa.ed.gov.

FSA ID. The FSA ID is comprised of a username and password and can be used to login to certain Federal Student Aid websites, such as the Free Application for Federal Student Aid (FAFSA). Obtain your FSA ID at: <https://fsaid.ed.gov/npas/index.htm>.

Student Aid Report (SAR): The SAR is the official notification sent to you about a week after filing the FAFSA online. This document includes your Expected Family Contribution (EFC). The SAR also provides information about the colleges you are considering, such as the graduation rates.

Expected Family Contribution (EFC): The EFC is a measure of your family's financial strength. It is based on the information you submitted on the FAFSA, including income, assets, family size and the number of children in college. Your EFC represents the amount of money the federal government believes your family can contribute toward one academic year of college. It is a harsh assessment of ability to pay, since it does not consider many types of consumer debt, such as credit card debt, student loan debt and auto loans. The actual amount your family ends up paying could be higher or lower than the EFC figure, depending on the sources of aid available to you.

There are two main formulas for calculating an EFC, the federal methodology (FM) and the institutional methodology (IM). The two formulas differ in the types of assets that are included (e.g., family home, assets of siblings), the assumption of a minimum student contribution, the treatment of paper losses, regional differences in cost of living, allowances for educational savings and emergency funds, the treatment of children of divorced parents and adjustments for more than one child in college at the same time. The FM EFC is used for determining eligibility for federal and state aid and financial aid at most colleges. About 250 colleges use the IM EFC for awarding their own financial aid funds.

Financial Aid Package: The financial aid package is a combination of multiple types and sources of financial aid available to you to help pay for college costs. It may include money from the federal government, state government, the college itself and private sources. It can include scholarships, grants, work-study and loans. The financial aid offered by each college may vary and is summarized in financial aid award letters sent by the prospective colleges.

Financial Aid Award Letter: The financial aid award letter is the list of all the aid from multiple sources that you are eligible to receive through your prospective college, including terms and conditions. You are not required to accept every type of aid found in the letter. For example, you could turn down loans. Turning down loans, however, will not increase the amount of grants and/or scholarships you may receive.

Cost of Attendance (COA): The cost of attendance includes the total price of tuition, fees, room, board, textbooks, supplies, transportation and personal expenses for one year of college. This is also known at some colleges as the "Student Budget." There may be separate student budgets for students who live on campus, off campus or with their parents. Some colleges will adjust the cost of attendance to include the cost of a computer, student health insurance and dependent care.

Net Price: The net price or out-of-pocket cost is the bottom line cost of college. It is the difference between the cost of attendance and grants. It is the amount of money you must pay from savings, income and loans to cover college costs.

Types of Aid

There are many different types of financial aid available from federal and state government, college and private sources. The major types of financial aid include:

Grants are awards typically based on financial need that do not need to be repaid. An example is the Federal Pell Grant. Eligibility often depends on your EFC and/or financial need. For example, the Federal Pell Grant is based on your EFC.

Scholarships are awards usually based on achievement or talent that also do not need to be paid back. You can search for scholarships for free at www.fastweb.com. Fastweb adds and updates scholarships every single day, and will send you email notification when there's a new scholarship that matches your personal background profile. Also, your prospective college(s) may offer scholarships based on academic merit and/or financial need. Call the financial aid office to find out which scholarships are available to you and how you can apply.

Federal Work-Study (FWS) provides part-time jobs for students with financial need. The jobs are usually available on or near campus. A list of available jobs can be found at the college's financial aid office or student employment office. Students who don't qualify for a work-study job may be able to find student employment to help pay for college bills or get a little spending money.

Loans are funds that must be paid back, usually with interest. There are federal student loans, federal parent loans, and private or alternative loans. The good news is that interest rates for education loans are currently at historic lows. However, you must demonstrate financial need for some loans, like the Federal Perkins Loan or the Federal subsidized Stafford Loan. Other loans, such as the Federal unsubsidized Stafford loan and the Federal Parent PLUS loan, do not depend on financial need. Private student loans may depend on your credit history. To find out more about loans, visit www.finaid.org/loans.

Education Tax Benefits are available to you and your parents when you file your federal income tax returns based on amounts you paid for college. The most popular education tax benefits are the Hope Scholarship tax credit, Lifetime Learning tax credit and the student loan interest deduction.

American Opportunity Tax Credit provides a federal income tax credit of up to \$2,500 (40% refundable) per student based on the first \$4,000 in postsecondary tuition, fees and course materials paid by the taxpayer during the tax year. The full \$2,500 credit is available to individuals with modified adjusted gross income of \$80,000 or less and to married couples filing a joint return with modified AGI of \$160,000 or less. For more information about the Hope Scholarship tax credit and other education tax benefits, visit www.finaid.org/otheraid.

Public Service Loan Forgiveness (PSLF). Students who work full-time in a public service job for 10 years may qualify to have their remaining debt forgiven. Public service loan forgiveness works in conjunction with income-based repayment. Public service jobs include public school teachers, police, fire, EMT, members of the military, public defenders, prosecutors and others who work for the city, state and federal government, as well as people working for 501(c)(3) tax-exempt charitable organizations. Public service loan forgiveness is available only for federal student loans. Private student loans and Federal Parent PLUS loans are not eligible. To find out more about public service loan forgiveness, visit www.finaid.org/publicservice.

Key Loan Terms

Federal education loans, including both student loans and parent loans, are available direct from the federal government and are administered by your college. Private student loans, sometimes called alternative loans, are available from a private lender (like a bank) and have interest rates and repayment terms set by the lender and not the government. Here are loan terms you need to know:

Annual Percentage Rate (APR): The APR is the overall cost of borrowing money, expressed as an annual percentage of the loan balance. The APR calculates the combined impact of the interest rate, loan fees, capitalization of interest (the addition of unpaid interest to the principal) and other repayment terms.

Cancellation: Some loan programs provide for cancellation (forgiveness) of the loan under certain circumstances, such as death or total and permanent disability of the borrower.

Capitalization: Capitalization is the practice of adding unpaid interest charges to the principal balance of an education loan, thereby increasing the size and cost of the loan. Interest is then charged on the new balance, including both the unpaid principal and the accrued interest. Interest can be capitalized monthly, quarterly, annually or when the loan enters repayment. Capitalization causes interest to be charged on top of interest.

Consolidation: A consolidation loan combines one or more eligible federal educational loans into a single new loan.

Default: Default is the failure to repay your loan according to the terms. It may lead to legal action to recover the money and can negatively affect your credit rating. Private student loans are considered to be in default after 120 days of nonpayment, while federal education loans are considered to be in default after 360 days of nonpayment.

Deferment: A deferment is a postponement of payment on a federal loan that is allowed under certain conditions and during which the government pays the interest on any subsidized loans. The borrower is responsible for the interest on any unsubsidized loans during a deferment. The economic hardship deferment has a three-year limit. Deferments during the in-school period are unlimited.

Forbearance: A forbearance is a period during which your monthly loan payments are temporarily suspended or reduced. Interest continues to accrue and will be capitalized if unpaid by the borrower. You may qualify for a forbearance if you are willing but unable to make loan payments due to certain types of financial hardships. Federal loans have a five-year limit on forbearances. Private student loans typically have a one-year limit.

Interest: Interest is a periodic fee for borrowing money, expressed as a percentage of the loan balance. Interest rates are either variable (the rate can change) or fixed (the rate will not change). The interest rate on a variable rate loan can reset (change) annually, quarterly or monthly.

Loan Fees: Loan fees are one-time charges to originate or guarantee a loan, expressed as a percentage of the loan balance.

Principal: The principal is the full amount borrowed. During repayment, it refers to the portion of the original loan amount still owed (not including interest or fees).

Promissory Note: A promissory note is a binding legal document you sign when you get a student loan. It contains the loan terms and conditions under which you're borrowing and the terms under which you agree to pay back the loan. It may also mention deferment and cancellation provisions available to the borrower.

Subsidized: The government pays the interest on subsidized loans while the student is in school, during the six-month grace period and during any deferment periods. Subsidized loans are awarded based on demonstrated financial need. **Note:** The government will not pay interest on subsidized loans awarded in 2012-13 and 2013-14 during the six-month grace period. The government will continue to pay interest on these loans during the in-school and other deferment periods.

Unsubsidized: An unsubsidized loan is a loan for which the government does not pay the interest. The borrower is responsible for the interest on an unsubsidized loan from the date the loan is disbursed, even while the student is still in school. Students may avoid paying the interest while they are in school by capitalizing the interest, which adds the interest to the loan balance. Examples of unsubsidized loans include the unsubsidized Stafford loan and the Parent PLUS loans. These loans are not based on financial need or income and may be used to pay for the family share of college costs.

Understanding Your Financial Aid Award Letter

Use this example as a guide to reading your financial aid award letter. Remember, you can choose to accept or decline any part of your financial aid package. If you decide to decline any type of aid, contact the Financial Aid Office. If you have any questions, make sure to contact your prospective college's aid office immediately.

Expenses (COA*)	
Tuition:	\$7,334
Room/Board	\$5,204
Health Fees	\$ 178
Books/Supplies	\$1,015
Personal	\$2,600
Transportation	\$ 900
Total Expenses	\$17,239

*Cost of Attendance (COA): The total expenses (tuition, fees, etc.) of one year's education. Your college may also include indirect costs (books, room and board, transportation, personal expenses, etc.). Our example includes both direct and indirect expenses.

Resources (EFC*)	
Parent's Contribution	
From Earnings	\$2,500
From Assets	\$ 112
<u>Student's Contribution</u>	<u>\$ 500</u>
Total Resources	\$3,112

*Expected Family Contribution: Amount your family is expected to contribute determined by the Free Application for Federal Student Aid (FAFSA).

The amount you end up actually paying for the academic year, could differ from the EFC, depending on what resources are available at the college you decide to attend.

Sample Award Letter Explained

Dear Student:

The results of your Free Application for Federal Student Aid (FAFSA) indicate that you are eligible for financial assistance for the upcoming academic year. We are pleased to offer you the following financial aid award. Please review each type of award before accepting.

Award	Federal Pell Grant (free money)		Option to accept or decline each award		Total
	Fall	Spring	Accept	Decline	
Federal Pell Grant	\$ 625	\$ 625	€	€	\$1,250
Total Direct Loans					\$6,876
Direct Federal Stafford Loan (Subsidized)	\$1,500	\$1,500	€	€	
Direct Federal Stafford Loan (Unsubsidized)	\$1,938	\$1,938	€	€	
Total Financial Aid Package					\$8,126

Federal Stafford Loan – Unsubsidized (Interest accrues immediately after loan is disbursed)
 Federal Stafford Loan – Subsidized (Interest-free until graduation when repayment of interest & principal begins)

What does this mean to you?

Cost of Attendance (COA)	\$17,239
<u>Less Gift Aid (Pell Grant)</u>	<u>- \$1,250</u>
Out-of-Pocket Cost (Net Price)	\$15,989

The out-of-pocket cost (net price) is the difference between the cost of attendance and the gift aid, such as grants and scholarships. It is the amount of money you will have to pay from savings (past income), income and loans (future income). Scholarships and grants will always be the best way to meet the costs of a college education. Search for scholarships at free websites like www.fastweb.com

FAFSA: Step-by-Step

What is it? FAFSA stands for Free Application for Federal Student Aid. The federal government uses this form to determine your eligibility for federal financial aid for college, which may include grants, scholarships, work-study and loans.

Why fill it out? The FAFSA is used to apply for financial aid from the federal and state government(s) and from most public and private colleges. Private colleges may have their own supplemental forms in addition to the FAFSA for awarding their own aid funds. For example, about 250 private colleges require an additional form called the CSS/Financial Aid PROFILE. The FAFSA is a prerequisite for the unsubsidized Stafford and Parent PLUS loans, which do not depend on financial need.

EFC stands for Expected Family Contribution. According to the government's calculation, you and your family should be able to contribute this amount in the coming academic year to your college costs. The EFC is a harsh assessment of you and your family's ability to pay for college. It does not consider the impact of consumer debt on a family's financial strength.

How does it work? The college you plan to attend will try to meet your demonstrated financial need with a package of different types of aid from multiple sources, including federal, state, school and private sources.

You can do the following on www.fafsa.ed.gov:

- 1. Electronically sign your FAFSA
- 2. Check the status
- 3. Make corrections
- 4. Add additional colleges and universities
- 5. Fill out an online renewal FAFSA next year
- To obtain a FSA ID, eligible students should visit <https://fsaid.ed.gov/npas>.
- Fill out the form to create a FSA ID and follow all instructions.
- Keep your FSA ID confidential. It allows you to electronically sign federal student aid and loan documents and access your confidential FAFSA information.

Step 1: Assemble forms needed to complete FAFSA

You and your parents (if you are dependent) need the following to fill out the form:

- Social Security Number
- Current bank and brokerage account statements
- Driver's license (if any)
- Current mortgage and investment records (if any)
- Alien registration card (if not a U.S. citizen)
- Current federal tax return (estimates are OK on tax questions, if you or your parents haven't filed yet)
- Current untaxed income records (if any)
- Current W2 and 1099 forms and other record of money earned
- Parents' current income tax return (if dependent)

Step 2: Complete the FAFSA

- Download, print and complete the FAFSA on the Web worksheet.
- Complete FAFSA on the Web at www.fafsa.ed.gov. The online version is used by over 99% of the applicants since it includes skip logic to avoid asking you unnecessary and redundant questions. Processing is quicker and more efficient with built-in edit-checks to reduce errors on the form.
- In order to maximize the amount of aid, fill out the FAFSA as soon as possible after October 1.
- Once finished, print the FAFSA summary as well as the "Submission Confirmation" page (or write down your confirmation number and date). If you complete the paper version, make a copy for your records.

Step 3: Review your Student Aid Report (SAR)

The SAR is proof that your FAFSA was received. You should receive your electronic SAR in 1-3 days if you filed electronically (paper filing: 2-3 weeks).

What if I find errors on my Student Aid Report (SAR)?

- Report errors immediately to your financial aid office. You can also make corrections online using your FSA ID at www.fafsa.ed.gov.
- If you don't receive your SAR in 3-4 weeks, call 1-800-433-3243 (1-800-4-FED-AID) or visit www.studentaid.ed.gov.

Quick Tip: New in 2016, the FAFSA application will now be accepted as early as October 1st. Early submission maximizes your chances of receiving aid.

Student Aid Report (SAR) and Expected Family Contribution (EFC)

What is the Student Aid Report (SAR)?

The SAR is a summary of the information you entered on the Free Application for Federal Student Aid (FAFSA). It tells you how much federal student aid you might be eligible to receive, and how much the government thinks you can reasonably pay for your school expenses. The SAR also notifies you if you are eligible for a Federal Pell Grant. You will receive a SAR in 1-3 days after you filed an Electronic FAFSA or 2-3 weeks after you filed a paper version. Check immediately for your EFC and any mistakes or errors.

What is the Expected Family Contribution (EFC)?

The EFC is the amount you and your family will be expected to pay for the coming academic year based on your financial situation. Some colleges do not satisfy the student's full demonstrated financial need, leaving the family with unmet need (a gap). Some need may be met with loans, which need to be repaid, usually with interest.

How is the EFC calculated?

The U.S. Department of Education uses the Federal Methodology (FM) to calculate your aid eligibility. The FM takes into account your family's income, the number of family members, in college, net value of assets and your enrollment status, among other factors. To estimate your EFC, utilize the Expected Family Contribution Calculator: www.finaid.org/efc.

What happens after I receive my SAR?

Look for mistakes or errors. Any colleges you listed on your FAFSA will also receive an electronic copy of your SAR. If you find an error notify your school's financial aid office immediately to let them know. Errors can also be corrected online using your FSA ID at www.fasfa.gov.

What if I find mistakes on my SAR?

Let your college know and go to www.fafsa.ed.gov. Under "FAFSA Follow Up," click "Make Corrections to a Processed FAFSA." Check the items you want to change and make corrections. On paper, on the last pages of the SAR, find your original FAFSA info. Make changes and only fill in the areas that need to be changed and/or corrected. You and your parents must sign and mail the corrected FAFSA to the central processor or send to each school to which you are applying to for admission and financial aid.

Highlights of each page in your SAR:

- Page 1 Intro: Tracks the aid process for you. If there is an asterisk next to your EFC, you have been selected for verification (see below)*.
- Page 2 Confidentiality information; reminders.
- Page 3 EFC, other info: EFC is listed at the top, along with other information, such as any issues with aid eligibility.
- Page 4 Summary of loans: Refer to your records and make sure your totals are accurate.
- Pages 5-8 FAFSA summary: Review the summary. Make corrections or changes in the spaces provided. You can also make changes online at: www.fafsa.gov.

SAR Information Acknowledgement: Correct any wrong information on pages 5 through 8 of the SAR or online.

When do I receive my financial aid?

Once your college reviews your SAR and verifies your eligibility, it will create and notify you of your aid eligibility and send an award letter. You do not need to accept all of the aid that's offered to you; accept only the aid you want. Rejecting one form of aid, however, will not result in increases in the other forms of aid. Federal aid will first be applied to certain school charges, such as tuition, fees, room and board. Excess may then be disbursed to the student or credited to his or her student account.

*Why is there an asterisk next to my EFC?

An asterisk (*) means you have been selected for verification and you must provide documents to your college to verify that information submitted on the FAFSA is correct. If your college asks verification documents, send as soon as possible to avoid a delay in the aid process. The US Department of Education has switched to a targeted verification process. About a third to half of all FAFSAs will be selected for verification. Some colleges verify 100% of their aid applicants, they find that this increases the accuracy of the information used to award financial aid. This helps ensure that the most deserving/needed students receive financial aid.