



Presents:
The Facts of Financial Aid

Who is HPU?



- HPU was **founded in 1889** in Brownwood, TX
 - Expanded into New Braunfels in late 2012.
- **Personal, private, convenient, & affordable**
- Offers undergraduate and graduate degrees, as well as dual credit

Degrees at HPU NB

- ▶ Business Administration
- ▶ Christian Studies
- ▶ Criminal Justice
- ▶ General Studies
- ▶ Management
- ▶ Marketing
- ▶ Master of Business Administration
 - ▶ Emphases in Finance, International Business, and Marketing
- ▶ Master of Education in Sports and Wellness Leadership

Financial Aid Presented by: Ferrisa Childs

- ▶ fchilds@hputx.edu
- ▶ Office: 325-649-8032
- ▶ Fax: 325-649-8973

Topics to be discussed

- ▶ What is Financial Aid
- ▶ Free Application for Federal Student Aid (FAFSA)
- ▶ Expected family contribution (EFC)
- ▶ Financial Need
- ▶ Scholarships
- ▶ Work Study
- ▶ Loans

What is Financial Aid



Financial Aid are the funds provided to students and families to help pay for postsecondary educational expenses.

Types of Financial Aid

- ▶ Money that does not have to be paid back:
 - ▶ Scholarships
 - ▶ Grants
 - ▶ Work-study
- ▶ Money that does have to be paid back:
 - ▶ Loans - Only borrow what you need

Why FAFSA?

- ▶ FAFSA determines the students eligibility for federal and state grants, work study, student loans based on their Expected Family Contribution (EFC).
 - ▶ EFC is the amount a family can reasonably expect to contribute financially
 - ▶ Ability to contribute not willingness
 - ▶ calculated using data from the FAFSA application and a federal formula

Applying for the FAFSA

- ▶ Step 1: Apply online for FAFSA ID for both the student and a parent at www.fsaaid.ed.gov
 - ▶ This only needs to be done once per student
- ▶ Step 2: Apply for federal aid online at www.fafsa.gov
- ▶ FAFSA applications open October 1st prior to *each* academic year
- ▶ Have copy of previous year's tax return (2020) in front of you, OR use the Data Retrieval Tool (DRT)

**** If you hit a website that asks for any form of payment, exit the site as this is NOT the Department of Education FAFSA website.

Common FAFSA Errors

- ▶ Social Security Numbers
- ▶ Income earned by parents/stepparents
- ▶ Not including a stepparent on FAFSA
- ▶ Household size
- ▶ Number of household members in college (do not include parents attending college)
- ▶ Untaxed Income
- ▶ Parent not signing the FAFSA
 - ❖ Read each question carefully

Making Corrections

- ▶ Corrections can be made on the website www.fafsa.gov
- ▶ Check with college(s) before making any changes
- ▶ OR submit documentation to college's financial aid office
 - ❖ Student and parent must resign FAFSA after corrections are made

Special Circumstances

- ▶ Mitigating situations such as:
 - ▶ Change in income
 - ▶ Change in employment status
 - ▶ Change in parent marital status
 - ▶ Student cannot obtain parental information
- ▶ Send written explanation and documentation to financial aid office at each college
- ▶ Colleges will review and request additional information if/as necessary

Colleges and Universities

- ▣ Award aid on a first-come, first-serve basis
- ▣ Award aid on the basis of both merit and financial need
- ▶ Follow up with the college/university to make sure all required documents have been received such as transcripts, ACT/SAT scores, etc.
- ▶ **DEADLINES:** Deadlines and application requirements vary by institution.
 - ▶ Check with your school of choice!

What is Financial Need?

Cost of Attendance

(-) Expected Family Contribution

= Financial Need

- Cost of Attendance includes direct and indirect costs and can vary widely from college to college

Scholarships



- ❖ \$7.5 million in untouched scholarships every year
- ▶ Get creative with your searches:
 - ▶ AE: people over 6'2", people under 5'0", left handed, ethnicity, race, red hair, major being studied, dyslexia or learning disabilities, adopted students, etc.
 - ▶ Interests: chess, duck calling, cat lovers, dog lovers, sports, hunting, fishing, dance, etc.
- ▶ Make sure the websites either have the lock symbol or HTTPS: before you put any personal information in
 - ▶ AE social security # or bank information, etc.
 - ▶ You should not have to pay to apply to scholarships

Other places to look for scholarships

Check with:

- ▶ Institution for merit scholarships or departmental scholarships
- ▶ High school counselor
- ▶ Local chamber of commerce
- ▶ Your pastor/youth minister
- ▶ Parents' employers

Tips for Scholarships

- ▶ Treat it like a job; apply for (X) amount of scholarships per week
- ▶ It is **not too early** to start your searches
- ▶ Keep a spreadsheet of the scholarships you like/apply for
 - ▶ You have to **reapply every year**
- ▶ Track opening and deadline dates
- ▶ Keep copies of Essays and Resumes you complete
 - ▶ You can sometimes reuse them

Work-study

- ▶ Allows students to earn money to help pay educational costs
- ▶ Administered under the Federal Work Study OR Institutional Work Study programs
- ▶ Hours available to work and hourly wage vary from college to college

Loan Options

- ❖ Save as a last resort
- ❖ Only borrow what is needed

Federal Loans from FAFSA:

- All students qualify for one or both of the following...
- ▶ **Subsidized** - government pays interest on the loan as long as student is enrolled at least $\frac{1}{2}$ time (normally 6 credit hours per term)
- ▶ **Unsubsidized** - student is responsible for all the interest on this loan from the day it is disbursed.

Loan Options Continued

Parent PLUS loan:

- ▶ Parents are the borrowers - they are responsible for the interest on the loan from the time it is disbursed
- ▶ There is a limit as to how much a parent can borrow for the Federal Parent (PLUS) Loan, and the specific school has to certify the loan.
- ▶ If the Parent Loan is denied for any reason, the student will receive an additional \$4,000 with the Federal Direct Unsubsidized loan for that school year

Loan Options Continued

Alternative loans:

- ▶ There are lots of alternative loans available: Google and compare options
- ▶ Students apply using their information and must have a co-signer
- ▶ Interest rates vary based on co-signer's credit score
- ▶ Students are responsible for interest from the time it disburses



Underlying Principles

- ▶ Parents and students have the primary responsibility for the cost of education
- ▶ Financial aid distribution is based on a family's ability to pay, not willingness to pay
 - ❖ This is an investment in your future!

Useful Websites

- ▶ <https://www.hputx.edu/campus-offices/financial-aid/>
- ▶ www.fsaaid.ed.gov
- ▶ www.fafsa.ed.gov
- ▶ Use FAFSA4caster www.federalstudentaid.ed.gov
- ▶ www.finaid.org
- ▶ www.studentaid.ed.gov
- ▶ www.aie.org
- ▶ www.fastweb.com

FAQ

- ▶ What if my parents do not claim me on their tax return, can I be considered an independent student?
- ▶ What if I have a special circumstance?
- ▶ Do my grades affect my eligibility for future financial aid?
- ▶ What if I drop a class or all of my classes, what will happen to my financial aid?

More FAQ

- ▶ What if I take out a loan and then decide I don't want it?
- ▶ Can I work more than one job on campus?
- ▶ How can I compare cost of attendance for other schools?
 - ▶ Net Price Calculator on each school's website