Financial Aid 101

Vermont Student
Assistance Corporation

Fall 2023

Session goals

- Applications and programs
  - Federal Student Aid/FAFSA
  - Vermont grants
  - VSAC-administered scholarships
- Education loans
- Information resources

Applications

- FAFSA (Free Application for Federal Student Aid)
- Vermont grant applications
- Institutional aid applications: on postsecondary institution websites and financial aid publications
  - CSS/Financial Aid Profile at https://cssprofile.collegeboard.org
- VSAC Unified Scholarship Application (MyVSAC)
- Other scholarship applications
- Loan application(s)

FAFSA

Free Application for Federal Student Aid

FAFSA

Why complete?

Required for:

- Federal Student Aid (FSA) programs (including loans)
- Vermont Incentive and Part-Time grant programs

May be required for:

- Institutional aid
- Scholarships

FAFSA

How to apply

Electronic:

- fafsa.gov
- studentaid.gov
  Apply for aid -> Complete FAFSA

Paper:

- Download and print PDF FAFSA
  at studentaid.gov.

When to apply

- Beginning December 2023, for the 2024–2025 school year.

FSA ID

Used for completing/accessing:

- FAFSA on the Web (FOTW)
- Federal Student loan Entrance Counseling and Master Promissory Note
- TEACH Grant Agreement to Serve documents
- Annual Student Loan Acknowledgement

Students, parents, spouses, borrowers create:

- Unique username & password — “Create Account”
  - Must link to unique e-mail address. NOTE: DO NOT USE school email address
- Answers to four challenge questions
- Set up two-step verification – can use email, cell or Authentication App

FSA ID

General tips

- Have student/parent/spouse access their e-mail account before starting to create an FSA ID.
- Student/parent must create FSA ID and have account confirmed before starting FAFSA.
- Have suggestions for “additions” to usernames.
  - Add middle name or initial.
  - Add a year, but not date of birth (2024 or 2028).
  - Include house number or last digits of phone number.
  - YouTube video available at https://tinyurl.com/mv4bs99p.

Who's eligible for federal aid?

From studentaid.gov

- Demonstrate financial need (for most programs);
- be a U.S. citizen or an eligible noncitizen;
- have a valid Social Security number (with the exception of students from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau);
- be enrolled or accepted for enrollment as a regular student in an eligible degree or certificate program;

Who's eligible for federal aid?

From studentaid.gov

- Be enrolled at least half-time to be eligible for Direct Loan Program funds;
- Maintain satisfactory academic progress in college or career school;
- Sign the certification statement on the *Free Application for Federal Student Aid* (FAFSA®) form stating that you're not in default on a federal student loan, you do not owe money on a federal student grant, and you'll only use federal student aid for educational purposes; and
- Show you're qualified to obtain a college or career school education.

Whose info on FAFSA?

Dependent vs. Independent (2024-2025 school year)

- Were you born before January 1, 2001?
- As of today, are you married?
- At the beginning of the 2024–25 school year, will you be working on a master's or doctorate program (MA, MBA, MD, JD, PhD, EdD, graduate certificate, etc.)?
- Are you currently on active duty in the U.S. Armed Forces for purposes other than training?
- Are you a veteran of the U.S. Armed Forces?
- Do you now have children who will receive more than half of their support from you between July 1, 2024, and June 30, 2025?

Whose info on FAFSA?

Dependent vs. Independent

- Do you have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you, now and through June 30, 2025?
- At any time since you turned age 13, were both your parents deceased, were you in foster care or were you a dependent or ward of the court?
- As determined by a court in your state of legal residence, are you or were you an emancipated minor?
- Does someone other than your parent or stepparent have legal guardianship of you, as determined by a court in your state of legal residence?

Whose info on FAFSA?

Dependent vs. Independent

Are you an unaccompanied youth who is homeless or self-supporting and at risk of being homeless? Determination through:

- your high school or district homeless liaison
- the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development, or
- the director of a runaway or homeless youth basic center or transitional living program

Whose info on FAFSA?

Dependent vs. Independent

- If “no” to all questions, the student is considered dependent for Federal Student Aid and must use parental information when applying.
- Dependency override from college can still be considered.
  - Student can choose to continue to fill out FAFSA without parental information and will receive a provisional SAI (Student Aid Index).
  - Student would need to appeal and send documentation which the college financial aid office will evaluate to determine whether the FAFSA may continue to process.

Whose info on FAFSA?

Dependent Students: Which parent info is required?

- If parents live together, both parents' information used.
- If parents don't live together, the parent who provided more support to the student in the past year.
  - If 50/50, then consider things like who carries the student on their insurance, who supplies the student with a car, etc?
  - If that parent is married, *even if the marriage is recent,* then parent and stepparent.

Independent Students: Whose info is required?

- If married, student and spouse, *even if marriage is recent*.
- If single, separated/divorced and not remarried, student only.

Determining financial need

What is the SAI/Student Aid Index and how is it determined?

The Student Aid Index is a starting point — **not** what a student/family has to pay.

- Income, compared to Federal Poverty Guidelines
- Assets
- Family size
- Age of older parent; or if independent student, age of student
- You can estimate your aid eligibility now on the Federal Student Aid Estimator website: https://studentaid.gov/aid-estimator/

Prior-Prior year income defined

Attending college from	Submit FAFSA	Use tax info from
July 1, 2023–June 30, 2024	Oct 1, 2022–June 30, 2024	2021
July 1, 2024–June 30, 2025	**December 2023–June 30, 2025**	**2022**
July 1, 2025–June 30, 2026	Oct 1, 2024–June 30, 2026	2023

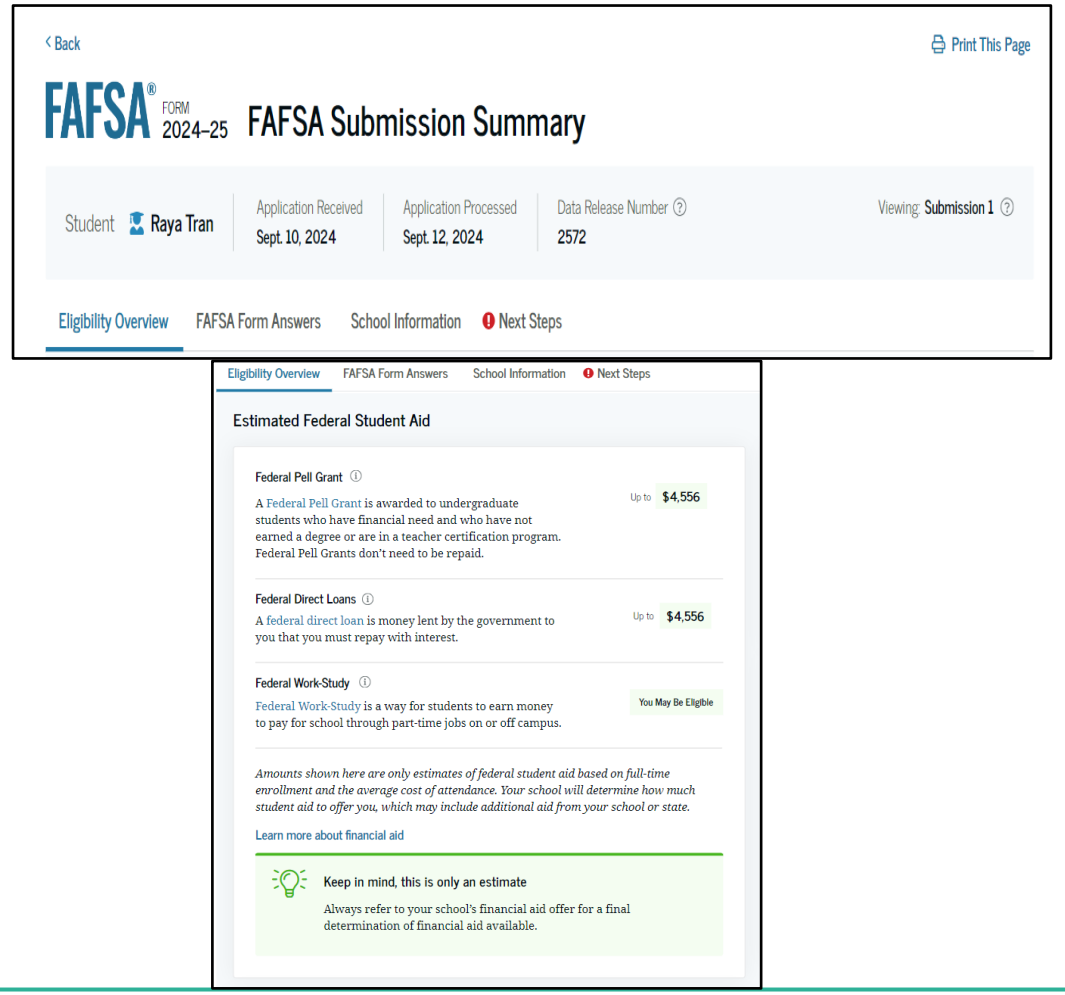
FAFSA frequent errors

- Parent & student Social Security numbers
- Divorced/remarried/unmarried but living together parent information
- Legal guardianship/custody confusion
- Income earned by parents/stepparents
- U.S. income taxes paid
- Household size
- Real estate and investment net worth
  - including assets not to be listed on FAFSA
  - reporting value only rather than net worth
- Not signing the FAFSA
- Not submitting the FAFSA after signing

FAFSA confirmation

FAFSA acknowledgements

- FAFSA Submission Summary
- Watch confirmation e-mails from the US Department of Education noreply@studentaid.gov or by mail. Mail will be used only if no e-mail address was listed on a paper application.
- One confirmation for submitting the FAFSA. One confirmation that FAFSA has been processed.
- Log in to fafsa.gov at any time to check status.



FAFSA verification

Process by which the U.S. Department of Education (ED) confirms (through the college financial aid office) that the information provided by students and families on the FAFSA is accurate.

- Students can be selected for verification by ED or by college.
- Items to be verified will vary.
- Federal aid will not be disbursed until verification is complete.

Available federal student aid

Maximum amounts for the major programs for 2023–2024 first year student:

- Federal Pell Grant: $7,395 max (pro-rated at less than full-time)
- Federal Work-Study: depends on funds available at school
- Direct subsidized and unsubsidized loans
  - $5,500 total for dependent (maximum $3,500 subsidized)
  - $9,500 for independent (maximum $3,500 subsidized)
- Direct PLUS loan (for parents): Cost of Attendance (COA) minus other aid received

Funds from other programs are available; see Federal Grant Programs and Federal Student Loan Programs for details.

Questions

Vermont grant

Vermont grants

Types

- Vermont grant
  - Full Time
    - Early College
  - Part Time
- Vermont Advancement Grant (non-degree or non-Title IV eligible)
- Microgrants

Who is eligible for Vermont Grant?

- Be a Vermont resident
- Be a U.S. citizen or eligible non-citizen
- Be enrolled in or be enrolling in an undergraduate program leading to a degree, diploma, or certificate
- Have financial need as determined by the VSAC Grant Program
- Be maintaining satisfactory academic progress
- Be attending an eligible institution

Who is eligible for Vermont Grant?

- Not have received the equivalent of 10 full-time semesters of VT grants
  - Unless you're enrolled in the Doctor of Medicine program at the UVM Larner College of Medicine or
  - Enrolled in any accredited Doctor of Veterinary Medicine program
- Not have received your bachelor's degree
  - Unless you're enrolled in the Doctor of Medicine program at the UVM Larner College of Medicine or
  - Enrolled in any accredited Doctor of Veterinary Medicine program or
- Not owe a refund to any federal or state grant or scholarship program

Vermont grant

It all begins with MyVSAC.

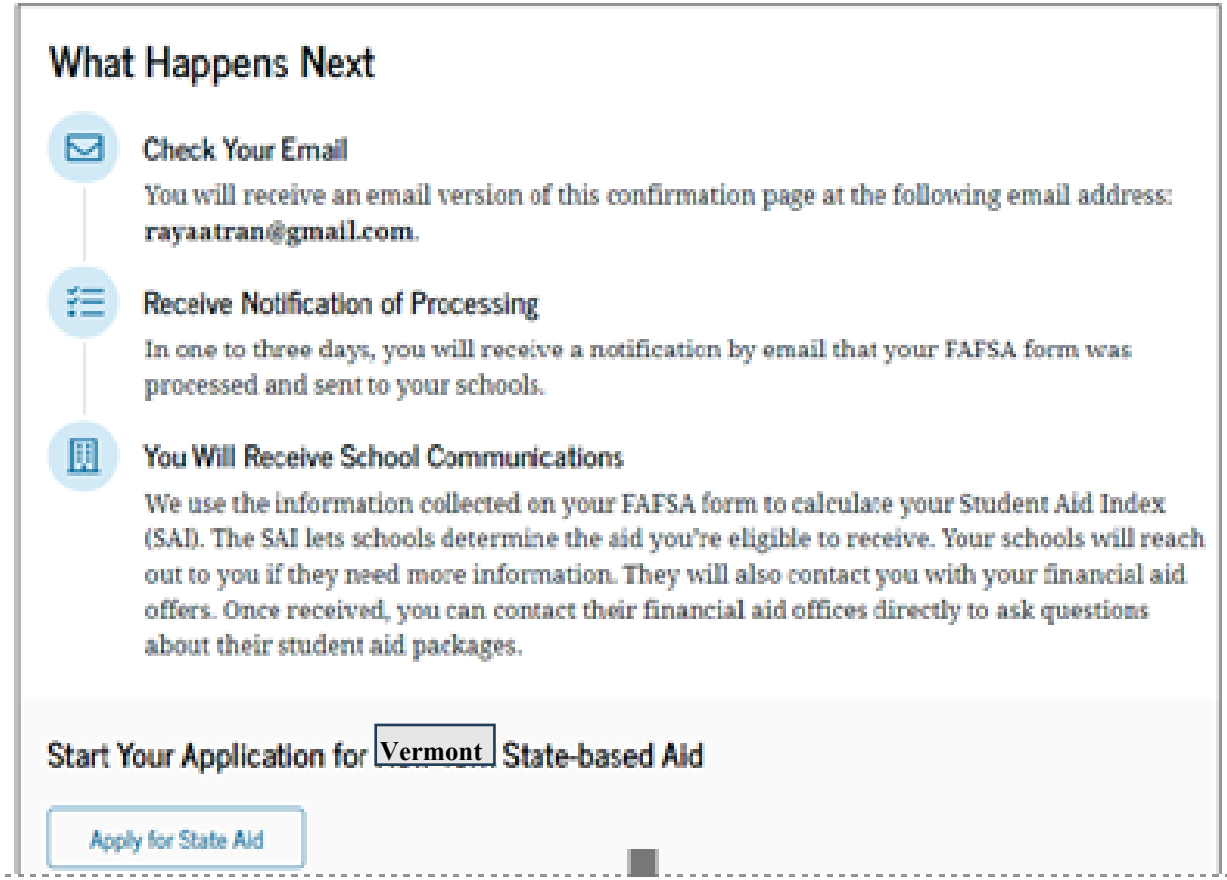
- Account is for the **student**.
- Students use same MyVSAC account when applying for VT grants and VSAC-assisted scholarships for each year of enrollment.
- Contact information must be updated (e-mail & postal addresses) for efficient communication.
- Two-step process. Student creates account with e-mail address. Link is e-mailed to student to confirm email address and create password.
- Students who lose/forget MyVSAC login should follow prompts to be reminded. **Do not create a new account!**

Vermont grants

Vermont grant application

- Must be filed and all requested documentation submitted for student to be eligible for Vermont grants.
- Degree grant application available October 1, 2023, for 2024–2025.
- Apply at vsac.org by clicking on MyVSAC button.

Vermont grant link from FAFSA



What Happens Next

Check Your Email

You will receive an email version of this confirmation page at the following email address: **rayaatran@gmail.com.**

Receive Notification of Processing

In one to three days, you will receive a notification by email that your FAFSA form was processed and sent to your schools.

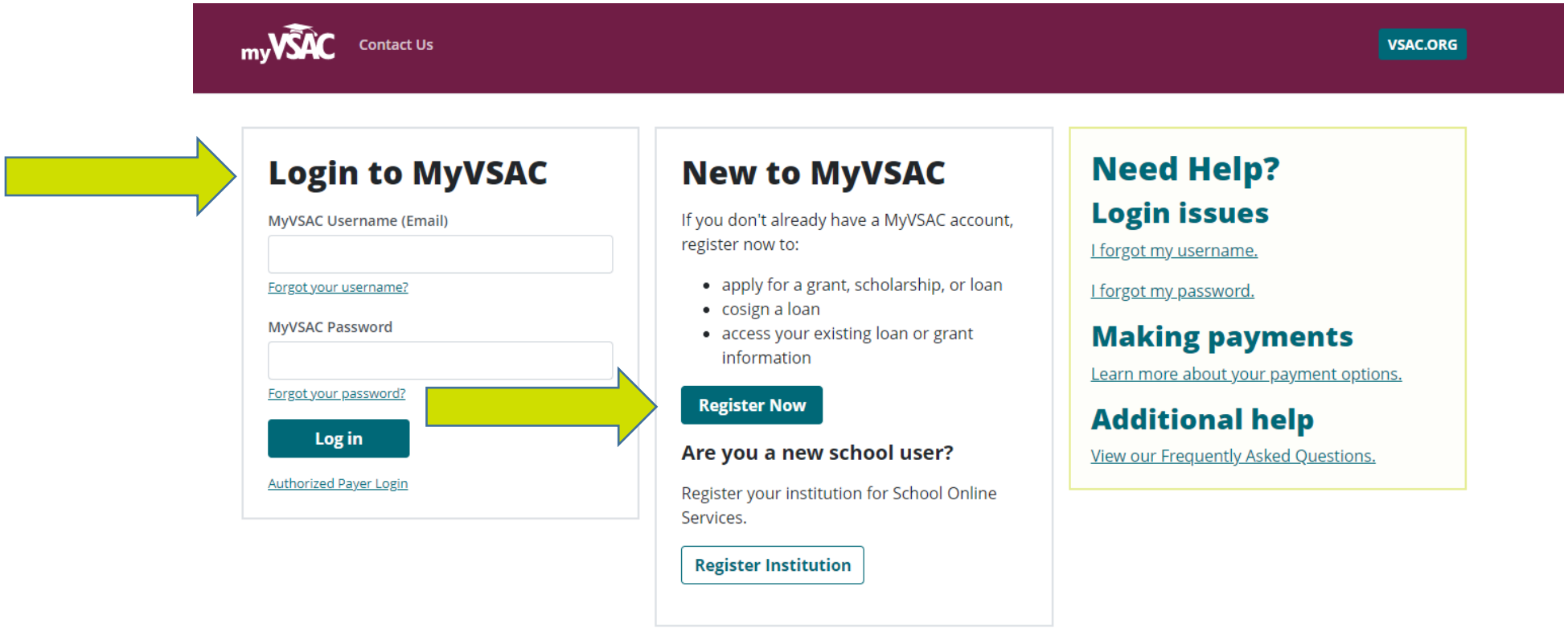
You Will Receive School Communications

We use the information collected on your FAFSA form to calculate your Student Aid Index (SAI). The SAI lets schools determine the aid you're eligible to receive. Your schools will reach out to you if they need more information. They will also contact you with your financial aid offers. Once received, you can contact their financial aid offices directly to ask questions about their student aid packages.

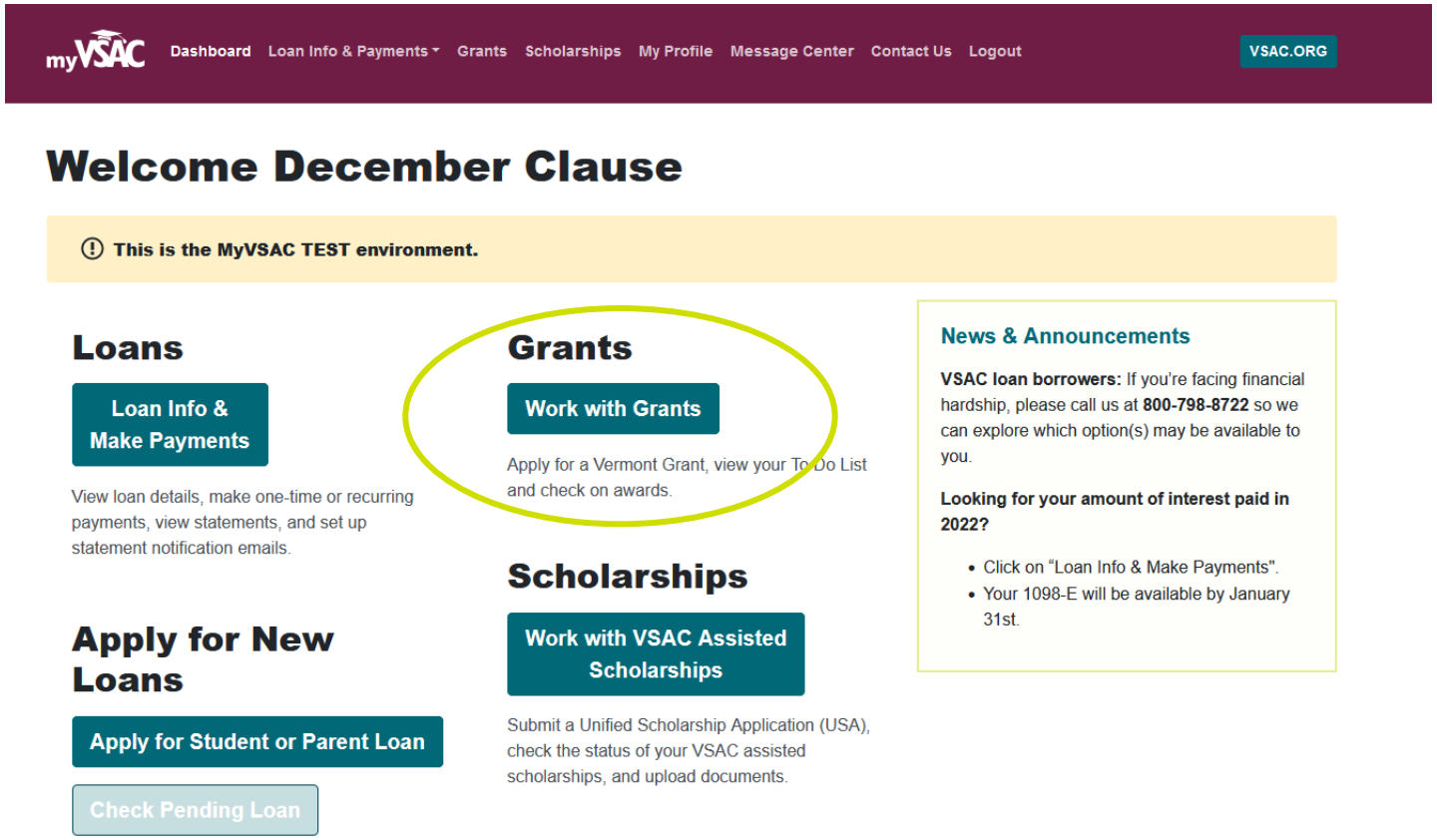
Start Your Application for Vermont State-based Aid

Apply for State Aid

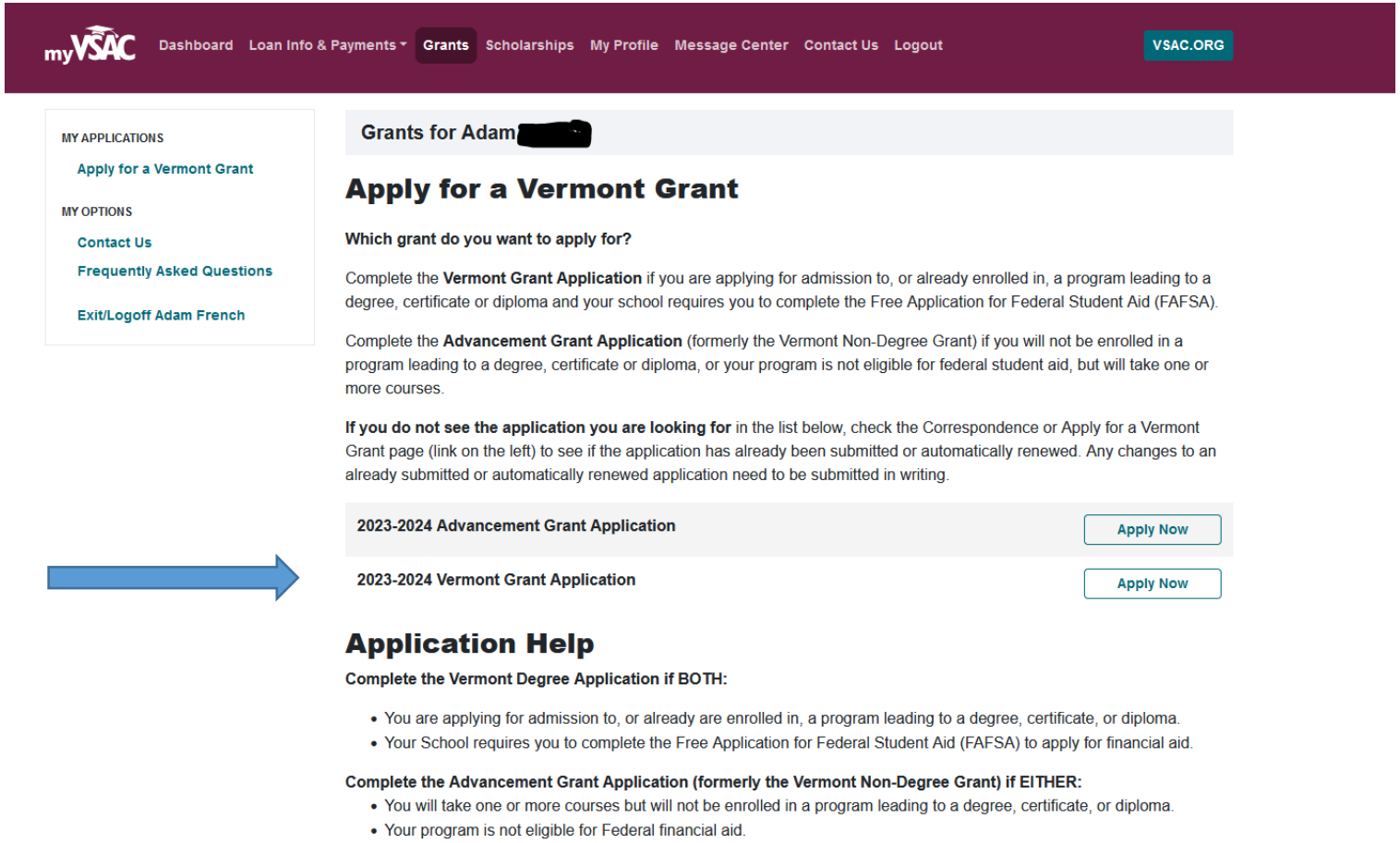
Vermont grant — MyVSAC login



MyVSAC Work with Grants



Vermont grant



Vermont degree grants

Information

Much of the income and asset information for the VT Grant comes from the FAFSA — students who designate their state of residence as VT will have information come to VSAC when the FAFSA processes.

- Income: Same as FAFSA, using 2022 income information for 2024–2025 aid eligibility.
- Asset information: Some asset information comes from the FAFSA; families also need to report info not collected on the FAFSA:
  - family primary home value and debt

Vermont grants

Notifications

- Requests for information are electronic: E-mail first.
- Paper letter is mailed if student doesn't log in within 20 days of initial request.
- Many forms can be completed online; tax returns can be uploaded.

Special/Unusual circumstances

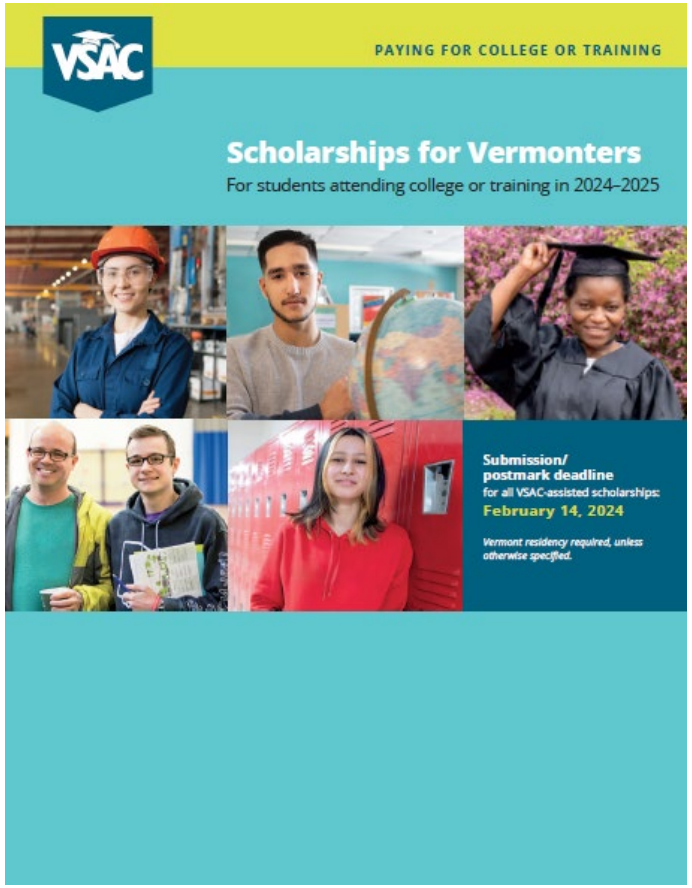
- Change in employment status.
- Medical/dental bills not covered by insurance. High insurance costs/deductibles.
- Change in parent/student marital status.
- Unusual dependent care expenses.
- Student unable to obtain parental information due to incarceration, abusive situation, or no relationship with parents and cannot qualify under other self-supporting questions.
- Natural disasters — expenses not reimbursed by insurance or FEMA.

VSAC-assisted scholarships

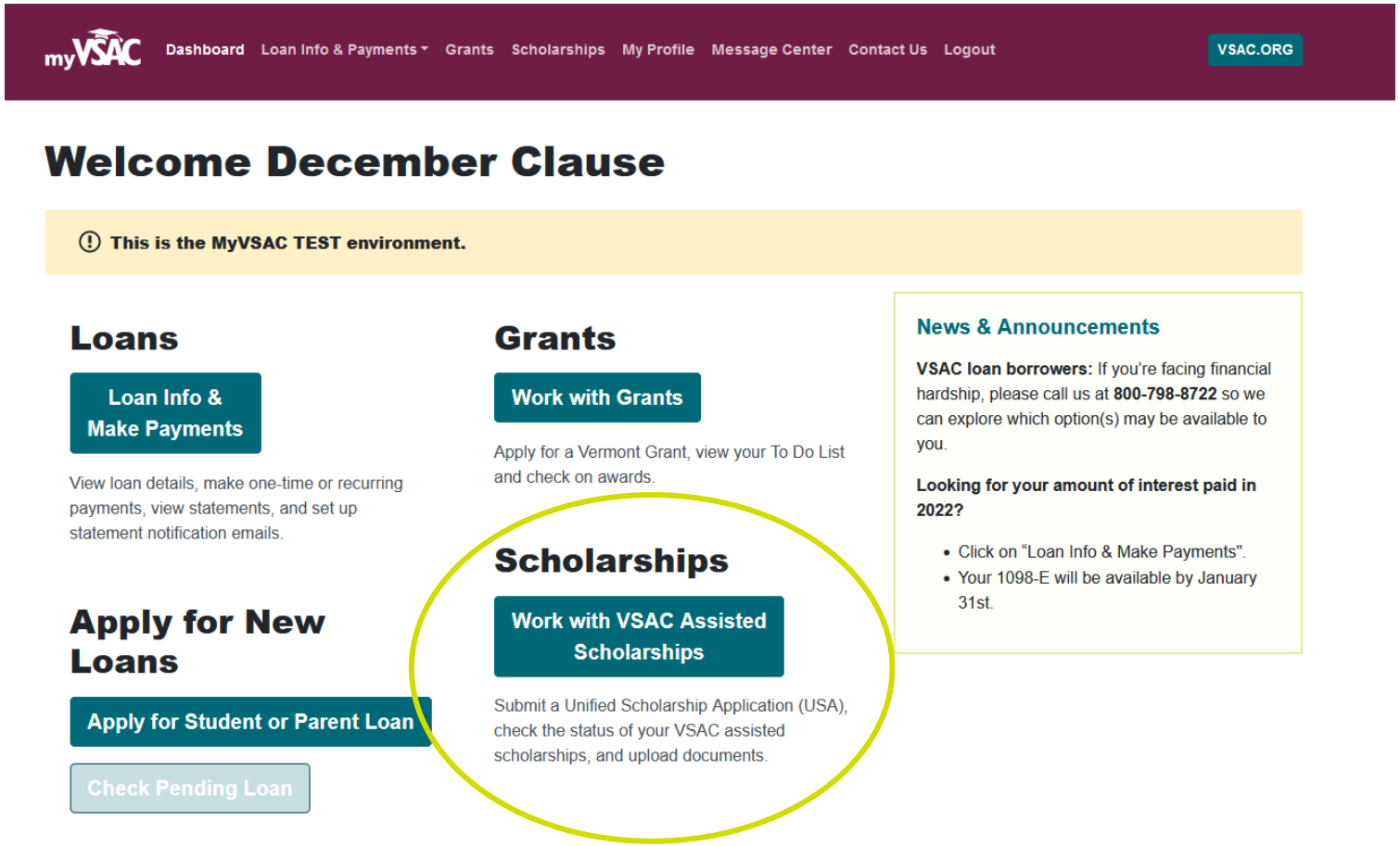
VSAC-assisted scholarships

Available online next week for students attending college in 2024–2025.

In schools early October.



How students apply



VSAC-assisted scholarships

Best practices

Deadlines

- Don’t just meet deadlines; beat them.
- Can check if everything has been received. *Note: Need to allow 1 day for documents to show as uploaded in MyVSAC.*

Organization

- Student’s responsibility to keep track of scholarships they applied for and documents that are required on MyVSAC.
- Encourage students to allow time for transcripts and recommendations to be done well and sent — NOT the last minute!
- If the school knows the student will be applying, but hasn’t yet, documents can be mailed — so long as postmarked by deadline.

VSAC-assisted scholarships

Best practices

Labels: Communicate with faculty, staff about requirements — and deadlines.

Follow instructions

- Meet minimum word length.
- Answer the questions asked.
- Recommendations MUST be on letterhead or signed.

DRAFT, draft, draft, REVIEW

- Common errors.
- Competitive nature.

Education loans

Federal Direct loans

- Requires the FAFSA.
- College determines eligibility and originates the loan.
- For students — two types: subsidized and unsubsidized
  - Only undergraduates are eligible for subsidized
  - Based on student financial need
  - Maximums based on year in college
- Entrance Counseling — completed on studentaid.gov
- Master Promissory Note (MPN)
  - Electronic — completed on studentaid.gov
  - Paper — school option or borrower request
- Postsecondary institution will instruct student how to complete

Federal Direct Student loans

cumulative borrowing

Dependent students

	Annual eligibility	Cumulative borrowed
first year	$5,500	$5,500
by sophomore year	$6,500	$12,000
by junior year	$7,500	$19,500
by senior year	$7,500	$27,000

Independent students

	Annual eligibility	Cumulative borrowed
first year	$9,500	$9,500
by sophomore year	$10,500	$20,000
by junior year	$12,500	$32,500
by senior year	$12,500	$45,000

Federal Direct loans

2023–2024 Direct loan interest rates & origination fees

Loan rates will change annually, based on the Treasury rate.

Direct subsidized & unsubsidized loan	Interest rate	Origination fee
Undergrad	5.50%	1.057%
Graduate/professional degree students (unsubsidized loan only)	7.05%	1.057%
Direct PLUS loan		
Parents & graduate/professional degree students	8.05%	4.228%

Federal Direct PLUS Loans

Available for parents of dependent undergraduate students and graduate or professional students to help pay for college or career schools.

- Commonly called PLUS loan for parents of undergraduate students and Grad PLUS for graduate students.
- Maximum PLUS loan is the cost of attendance at the college minus aid offered.
- Credit check and endorser alternative.
- Some colleges will list PLUS eligibility on financial aid notifications.

Non-federal loans

Available for eligible students who need education financing *beyond* what they can borrow in federal Direct student loans.

How to choose a private loan?

Visit www.vsac.org/learn for:

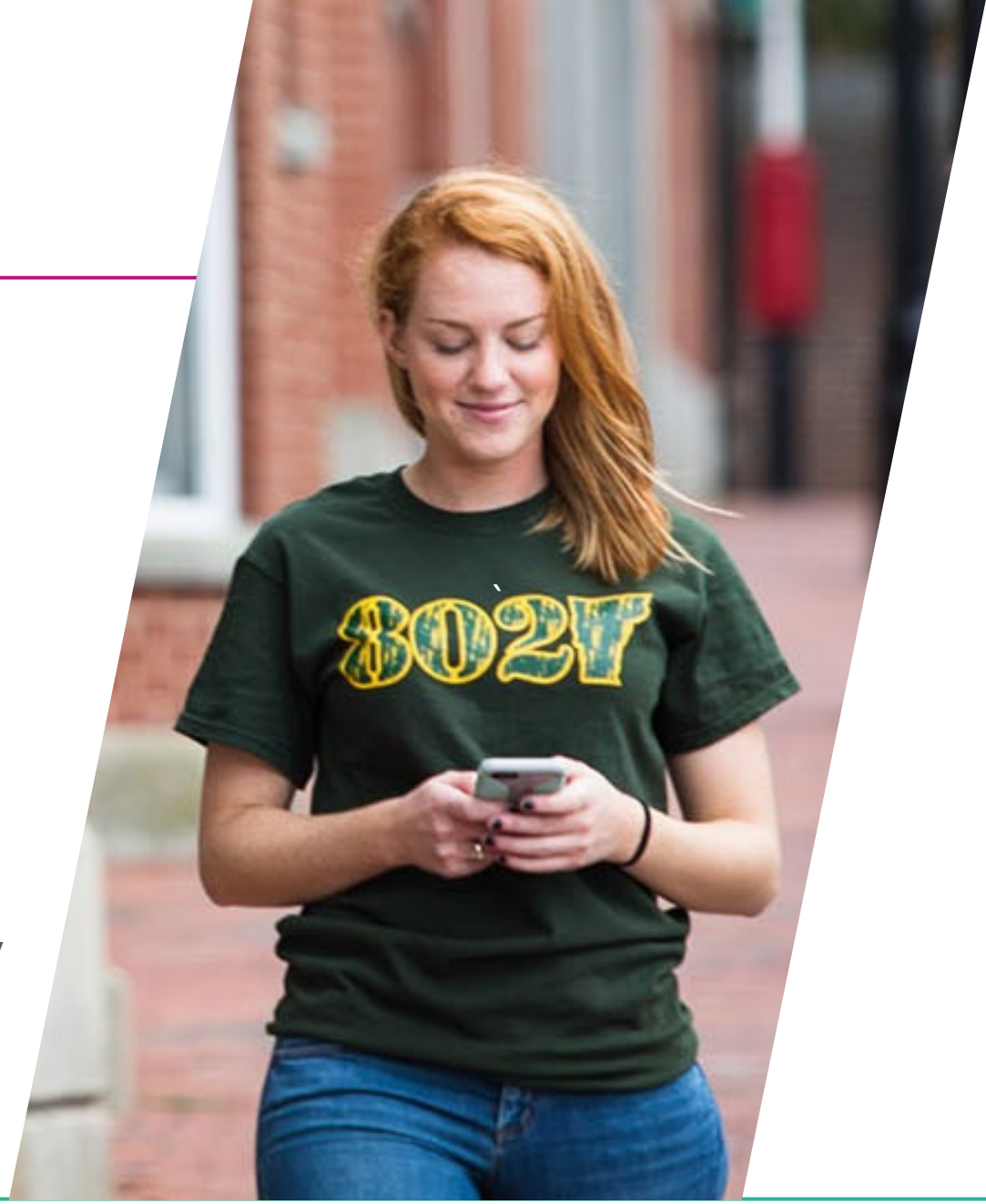
- VSAC's education loan guide
- loan calculators to compare total costs
- VSAC's Student Loan
- VSAC's Parent Loan

Non-federal loans

Choosing and comparing non-federal loans

When comparing loans, consider:

- interest rates
  - fixed
  - variable
- fees
- repayment options
- other benefits
  - Interest rate reduction for auto-pay
  - cosigner release



Questions

Short-term training and certificate funding

Sources of aid

https://www.vsac.org/plan/adult-learners/financial-aid

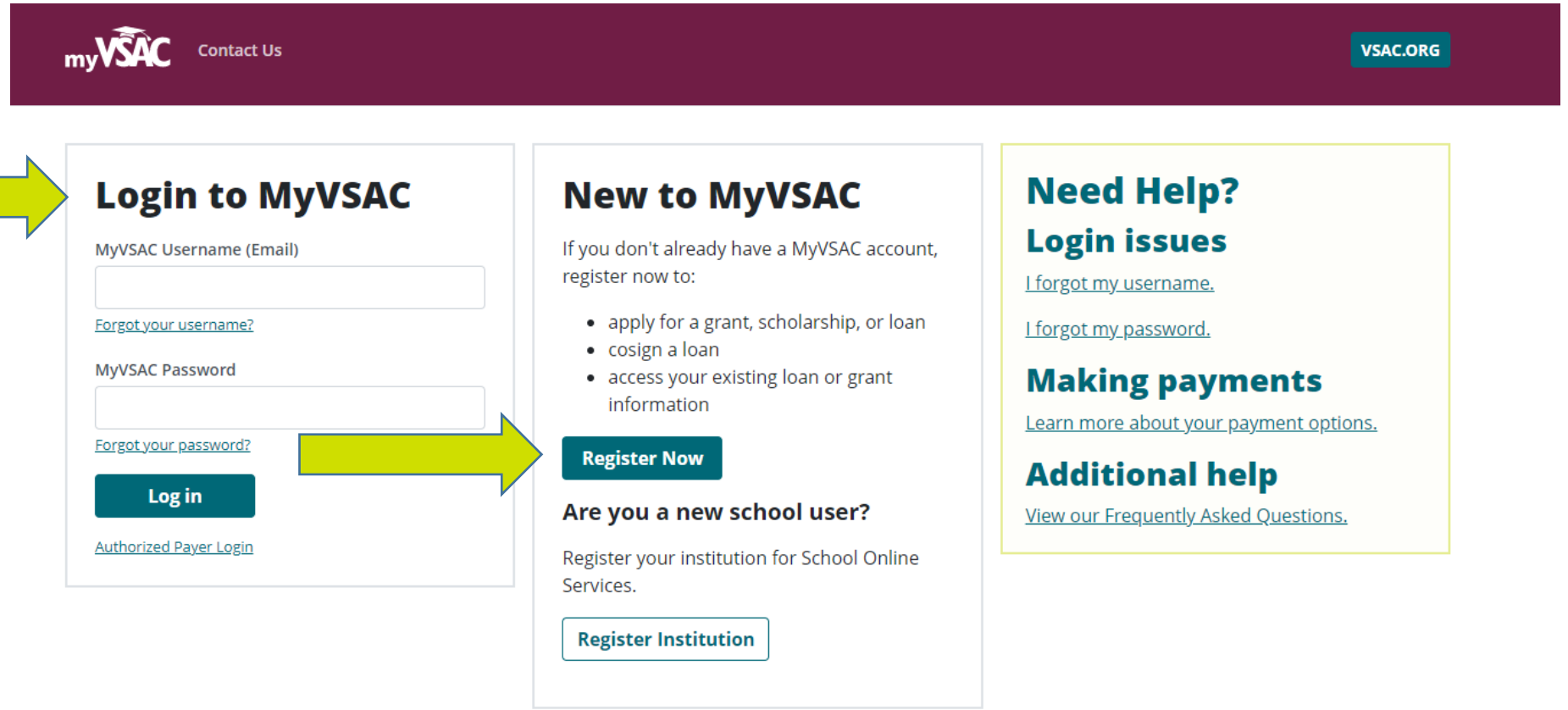
- Employer contributions*
- Veterans' Administration*
- HireAbility VT*
- Scholarships*
- Dept of Labor – WIOA (Workforce Innovation and Opportunity Act)*
- VT Advancement Grant
- Registered Apprenticeship
- Program/Provider Funds
- VT Trades Forgivable Loan Scholarship*

*May also be available for degree programs

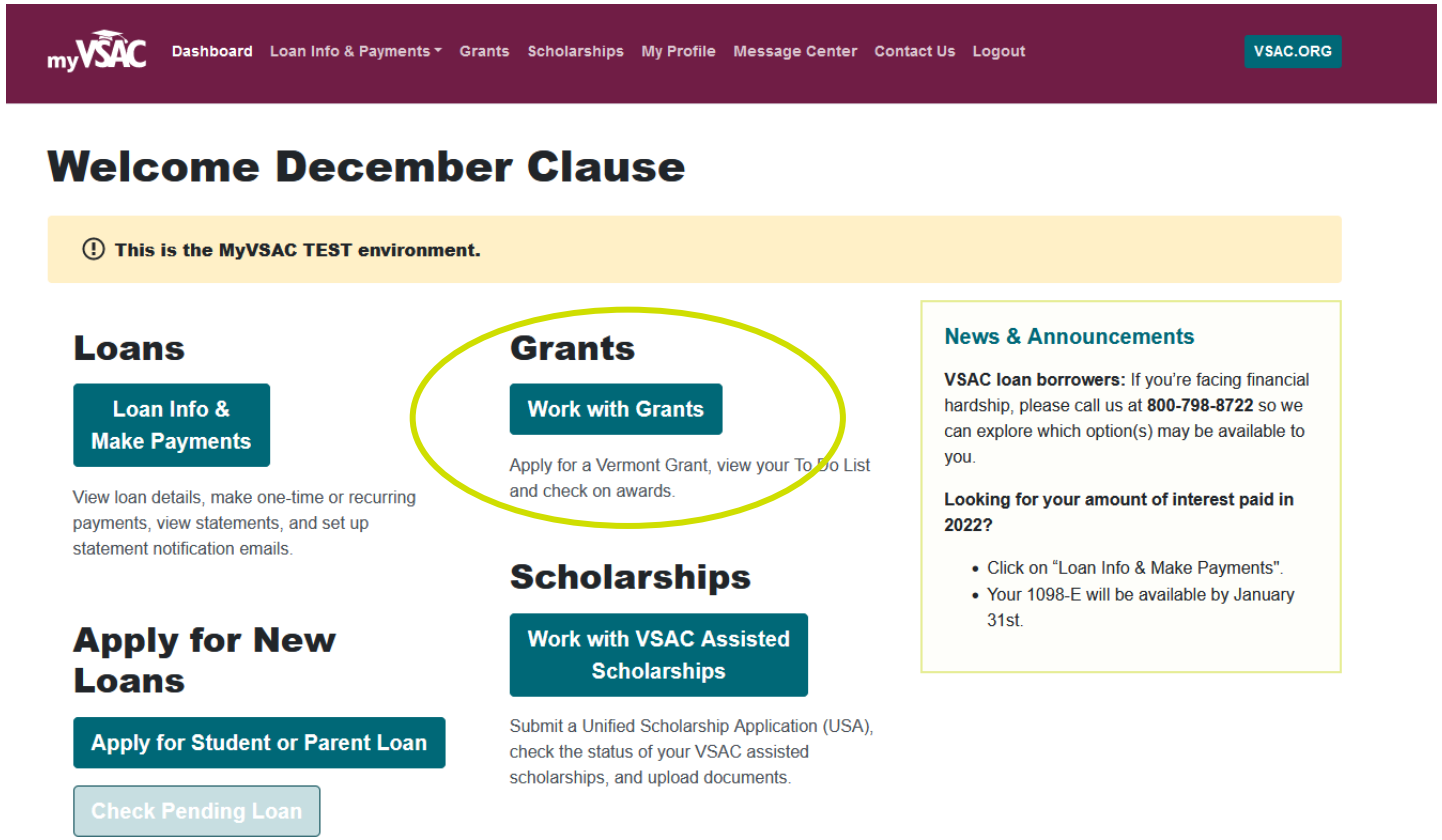
Advancement Grant

- Available now for programs starting before June 30, 2024 (2023–24 AY).
- New form May 2024 for programs starting July 1, 2024, or later (2024–25 AY).
- For non-degree coursework or short-term training programs or two college classes that either prepare students for further coursework/entrance to a degree program or increase employability.
- $7,500 limit in the 2023–24 AY. No more than 2 terms of ANY state grant per academic year.
- Individuals can be awarded up to 6 Advancement Grants in their lifetime.
- Prior-prior federal tax returns and W2s must be submitted (if filed) to determine income eligibility; can be mailed or uploaded to MyVSAC.

Advancement Grant — MyVSAC login



MyVSAC Work with Grants/ Advancement Grant screens



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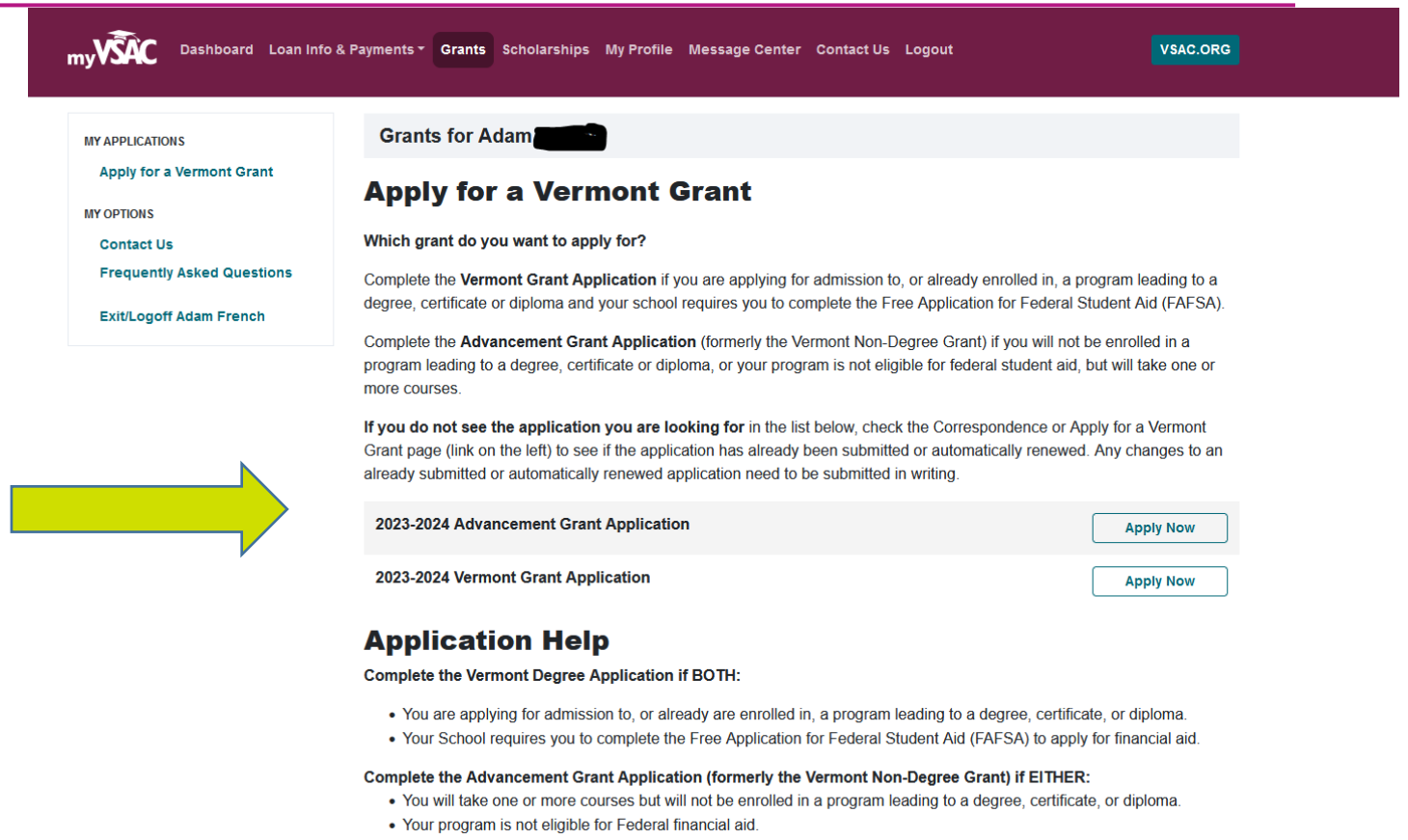

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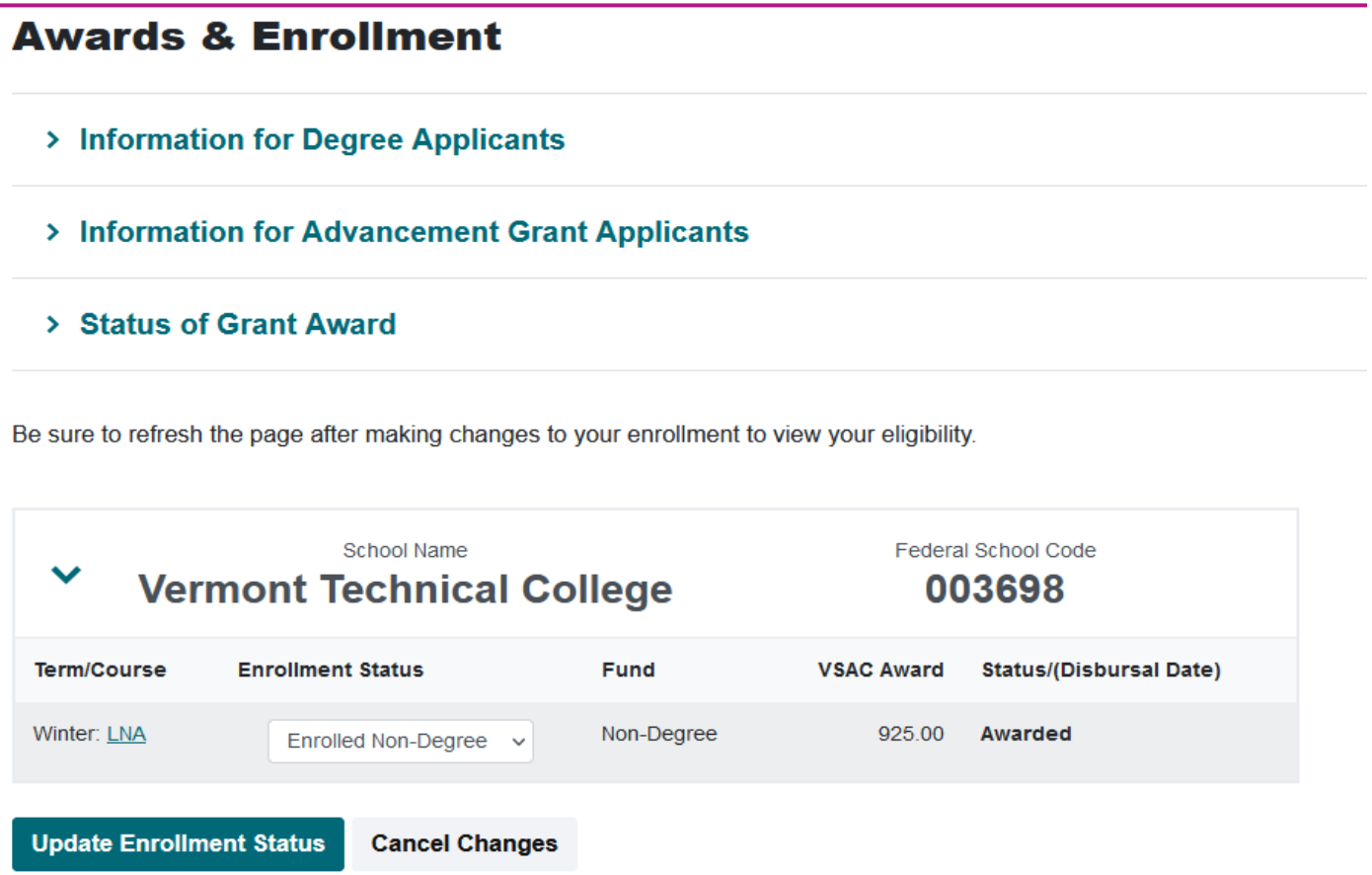


Questions

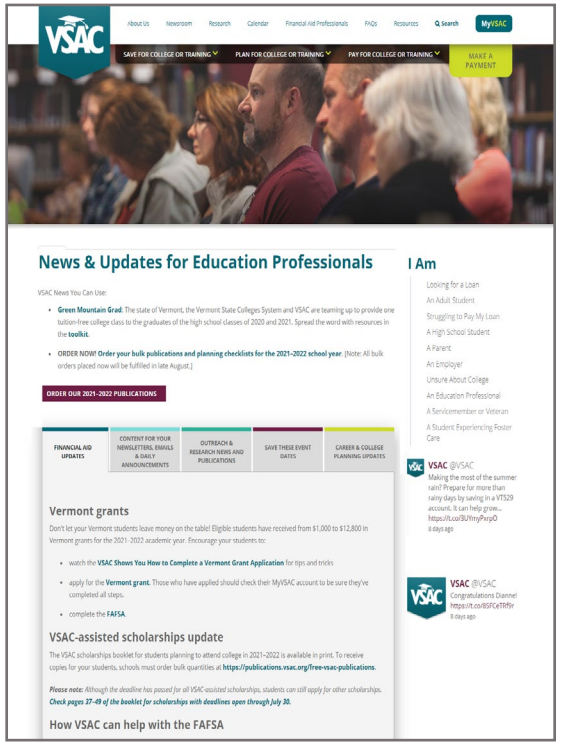
Information resources

Financial Aid Toolkit

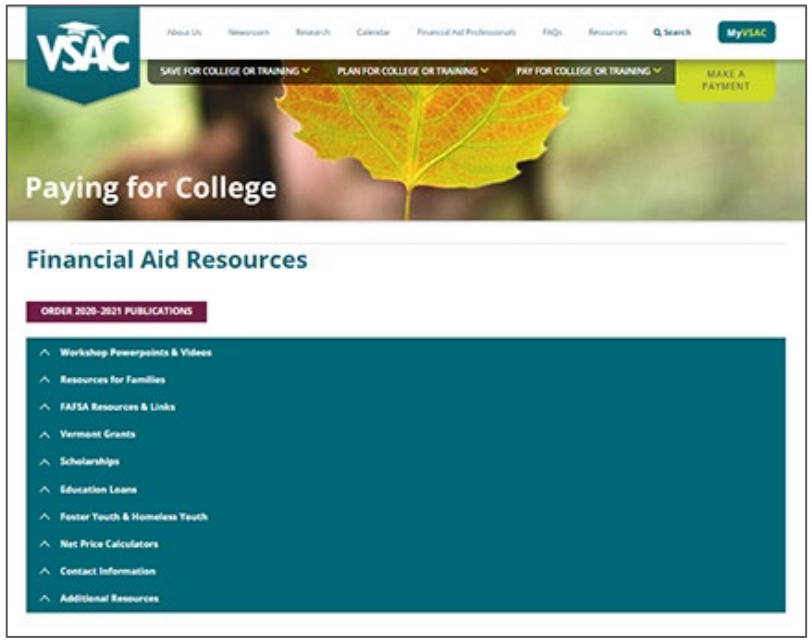
- Federal aid news & updates
- College planning & federal financial aid resources
- Links to tools and resources
- Outreach/social media ideas and more

VSAC.org resources

vsac.org/edpronews



vsac.org/financial-aid-resources



Part 2: Federal Updates

- MORE INFORMATION:
  - FAFSA updates
  - Federal Student Aid updates
- Friday, October 13, 2023 1–2:30 pm
- Find registration link at vsac.org/events.

Part 3: VSAC and State Updates

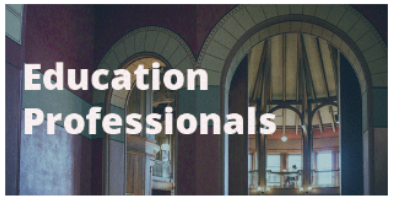
OCT 24

VSAC's Annual Financial Aid Training for Education and Agency Professionals: VSAC & State Updates

1:00PM - 2:30PM ON ZOOM

VSAC & State Updates This virtual training session will provide important updates and changes to financial aid resources specific to VSAC and statewide initiatives. When registering, we welcome you to submit questions or comments that you would like us to try to address during this training

DETAILS >



- MORE INFORMATION:
  - VSAC initiatives
  - Statewide program updates
- Tuesday, October 24, 2023 1–2:30 pm
- Find registration link at vsac.org/events.

Contact info

- **Carrie Harlow**

  Talent search counselor, Career and Education Outreach

  harlow@vsac.org
  800-660-3561, ext 403

- **Stacey King**

  Education Counselor, Educational Opportunity Center Program

  king@vsac.org
  802-777-8400