

# FINANCIAL AID: A SEMI-SHORT PRIMER



**GRANTS:** (Listed are samples of some, not all): Based on Financial Need and do not have to be repaid.

- **PELL Grant:** The amount you receive is determined by your family size, number of family members in college and the income and assets of your parents, siblings and yourself.
- **Supplemental Educational Opportunity Grant [SEOG]:** Eligibility is based on exceptional need. Assessment is made after you have completed the financial aid form and have had the information from your needs assessment sent to the college(s) of your choice.
- **Texas Equalization Grant [TEG]:** If you are applying to a private college in Texas, you may apply for a T.E.G. by completing the financial aid form and the TEG application form, which can be obtained from the Financial Aid Office of the private college.

**LOANS:** (listed are examples of some, not all) Reasonable interest rates - Repay after you leave college.

- **FEDERAL FAMILY EDUCATION LOAN PROGRAM [FORMERLY GSL]:** Loans are made directly to you by participating commercial lending institutions, such as banks or savings and loans. The college Financial Aid office can help you identify participating institutions.
- **PERKINS LOANS:** Eligibility is based on your financial need as determined by information on a completed needs analysis form.
- **HINSON-HAZELWOOD COLLEGE STUDENT LOANS:** Loan is for legal residents of Texas. Eligibility is based on financial need as determined by information on a needs analysis form.
- **PLUS LOANS:** PLUS loans are for parent borrowers. Like FFELPs, both loans provide additional funds for educational expenses and are also made by a lender such as a bank, savings and loan association or credit union.

**SCHOLARSHIPS:** Awarded according to need and/or achievement.

**AT PSHS:**

- Applications are available in the Counseling Center. Qualifying information is included with each application.
- Scholarships are updated daily, so it is a good idea to stop by once a week to see what is available. All new scholarships are announced in the newsletter.
- Local scholarships are available during the second semester - listen to the newsletter for details.
- Please read requirements for scholarships carefully. If you don't qualify for a scholarship, please don't waste your time or theirs, by completing the application. If you are unsure of complete qualifications, Mrs. Fuson [Counseling Secretary] can help you.

***AT THE COLLEGES YOU ARE INTERESTED IN:***

- Write to the financial aid officer to inquire whether the college has its own financial aid form, which must be completed in addition to the FAFSA. Be sure to ask about general scholarship information.
- Write to the chairman of a given department in a college to ask the application procedures for departmental scholarships.

**APPLYING FOR FINANCIAL AID: SOME GENERAL HINTS**

Since your financial aid situation can change from year to year, you **MUST** apply for financial aid each year. Always keep copies of forms you submit to the school, government or lender during the financial aid process. Some aid is first-come, first-served so don't put off applying. We strongly suggest that every student heading to college or career/trade schools complete a FAFSA even if they don't think they will qualify for aid...sometimes being rejected for federal aid is a prerequisite for receiving private awards.

**THE PROCESS:**

1. The students and parents should collect all of their income information for the most recent tax year - January 1<sup>st</sup> of the student's junior year to December 31<sup>st</sup> of the student's senior year.

2. Student and Parents - Fill out your IRS income tax return. You'll need some of the numbers from your tax return to complete the Free Application of Federal Student Aid (FAFSA). You can estimate on your tax return, and you don't need to send your tax return to the IRS before you fill out the FAFSA.
3. Get a FAFSA from the Counseling Center or apply on-line. (www.fafsa.ed.gov)
4. You may NOT apply before January 1<sup>st</sup> - You SHOULD apply as soon after Jan 1<sup>st</sup> as possible.
5. Applying on line can save you weeks in the application process, because it is much more likely to be correct of the first try. The electronic application checks for errors and inconsistencies while you're filling it out, so that those mistakes can be fixed before the application is processed.
6. No matter which version of the FAFSA you choose, the parent and student must submit as original signature. The web site will tell you how to print, sign and mail the document called the signature. Failure to complete this page will result in a delay in processing your application.
7. You may list up to six schools and FAFSA information will automatically go to the schools you list.
8. By filling out the FAFSA, the student is automatically applying for grants. The FAFSA will ask the student whether the student also wants to apply for loans and work-study. **ANSWER YES.** It's perfectly acceptable to turn down loans or work-study later without affecting other aid.
9. About two weeks after you submit the on-line FAFSA (three to four weeks for paper version), you will receive a summary statement [SAR]. Review it carefully.
10. If necessary make corrections and return to processor OR mail correct SAR to financial aid office of the college you are interested in attending.
11. There will be a Data Release Number printed on the upper right side of your SAR. **WRITE THIS NUMBER DOWN AND KEEP IT IN A SAFE PLACE.** This not only protects

your privacy, it is required to make any changes to your original submission.

12. The SAR will show your EFC (Expected Family Contribution). This is the minimum amount that you are assumed to pay out of your own pocket. The EFC is calculated using a formula mandated by Congress. The formula takes into account income, assets and federal and state taxes paid, among other information. Most people have to pay more than their EFC. This additional amount is called "unmet need".
13. No matter which school the student goes to, the EFC will be the same. The more expensive the school, the more financial aid the student may be able to get, and out-of-pocket expenses may remain the same.
14. The SAR will go to each school you submitted on the FAFSA. The college will review your SAR and put together the package of financial aid it can offer. You will be informed via an award letter.
15. If your family has had unusual or unexpected expenses this year or has had a significant loss of income, contact the financial aid office of each school to let them know: They MAY be able to provide more aid.
16. If you wish to accept the offer, sign the award letter and return [keep a copy!] If you wish to decline, notify the college immediately so the financial aid can be offered to other applicants.
17. For help in completing the FAFSA, you can call the Federal Student Aid Information Center toll-free at 1-800-FED-AID (that's 1-800-433-3243). This number is available from 8 am until midnight eastern time, seven days a week.



**A WORD ABOUT SCHOLARSHIP SEARCH SERVICES:** If a scholarship search service guarantees they will find you aid resources, be sure you read the language carefully. You may already know about some of the promised sources of aid. For instance, a majority of students are eligible for a subsidized

federal student loan. And keep in mind that identifying a source of aid doesn't mean you will receive that aid. Because of funding limitations, many scholarships award aid only to a small percentage of those who apply.

**SOME WEB ADDRESSES YOU MAY FIND USEFUL:**

**FAFSA ONLINE:** [www.fafsa.ed.gov](http://www.fafsa.ed.gov) **CSS ONLINE:** [www.collegeboard.org](http://www.collegeboard.org)

**GENERAL INFO:** [www.petersons.com](http://www.petersons.com) [www.studentloan.com](http://www.studentloan.com)

[www.finaid.com](http://www.finaid.com)

[www.collegefundingco.com](http://www.collegefundingco.com)