
~ Financial Aid: Understanding the Basics ~

APPLYING FOR FINANCIAL AID

□ **Free Application for Federal Student Aid (FAFSA)**

- Primary application for financial aid.
- Cannot be filed before January 1 preceding the academic year in which the student will start college. Each school establishes specific deadlines for submission.
- Allows student to apply to 10 schools through one application - identify colleges using their federal college codes. Codes are available on the FAFSA website or by contacting the institution(s). **LVC's school code is 003288.** The FAFSA includes instructions on how to add additional schools.
- It is easier to fill out the FAFSA if tax returns have been completed.
- Complete the application on-line at www.fafsa.ed.gov. The FAFSA on the Web Worksheet is available to assist in completing the online application (processing time in about 1 week) or paper applications are available by calling 800-4FED-AID (processing time is approximately 3 weeks). Guidance offices and financial aid offices are no longer able to obtain paper FAFSA's.
- If an email address is provided on the FAFSA, all communication will be electronic.
- **Make sure student social security number is correct.**
- **Be sure the application is signed by all parties** – may sign the FAFSA on the Web using your PIN (both parent and student must have a PIN). To apply go to www.pin.ed.gov. An Expected Family Contribution (EFC) cannot be calculated if all required signatures are not submitted.
- Student Aid Report (SAR) is the output document – provides the EFC and all your information for review – correct as necessary. Be sure to review!
- Also serves as Pennsylvania State Grant application (PHEAA State Grant – May 1 deadline).

□ **Institutional applications and supporting documentation**

- Institutions may require the family to complete other financial aid applications in addition to the FAFSA.
 - Some institutions require that the Profile application be submitted through the College Scholarship Service (CSS). Other colleges have their own institutional financial aid applications that must be completed. LVC does not require the Profile.
- Institutions may also require documentation such as copies of tax returns and W-2's.

NOTE: We recommend that everyone complete the aid process the first year.

HOW IS FINANCIAL AID ELIGIBILITY (NEED) DETERMINED?

Cost of Attendance (COA) – Expected Family Contribution (EFC) = Aid Eligibility (Need)

□ **Cost of Attendance**

- Tuition and fees
- Room and board
- Books, Travel, Personal

□ **Expected Family Contribution**

- Calculated by the federal government based on the information reported on the FAFSA
- EFC = Parent Contribution + Student Contribution
- Factors considered in determining federal EFC:
 - Parental Income and Assets
 - Student Income and Assets
 - Family Size/Number in College
 - Age of parents

- On-line EFC calculator: www.finaid.org and www.fafsa4caster.ed.gov (estimated EFC)

TYPES OF AVAILABLE FINANCIAL AID

- **Gift Aid** (student is not required to pay back or work for this aid)
 - **Grants** are awarded based on the financial need of the family. The FAFSA must be filed in order for eligibility to be determined.
 - Pell Grant is funded by the federal government
 - Federal Academic Competitiveness Grant (ACG) – years 1 & 2
 - National Science and Mathematics Access to Retain Talent Grant (SMART) – years 3 & 4
 - TEACH Grant - \$4,000/year; 4 years service in high-need field or reverts to a loan
www.studentaid.ed.gov/PORTALSWebApp/students/english/TEACH.jsp
 - PHEAA State Grant is funded by the state of PA for PA residents
 - Out-of-State Grant – check with your state grant agencies
 - Institutional Grant is awarded by the individual colleges
 - **Scholarships** are typically awarded based on the student's merit (need is usually not considered).
 - Outside scholarships are awarded by external organizations/agencies. On-line searches can be done at www.lvc.edu/financial-aid/scholarships.aspx. Check with High School Guidance Counselor.
 - Institutional scholarships are awarded by individual colleges.
- **Self-help Aid** (student is required to pay back or work for this aid)
 - **Stafford Loan** is funded by the federal government
 - All students who file a FAFSA can receive a Stafford loan.
 - Subsidized awards will be made to students who have unmet financial need. Interest rate for 2010-2011 will be fixed at 4.50% (subsidized only).
 - Unsubsidized awards will be made to students who have no financial need. Interest rate is fixed at 6.80%.
 - Borrowing limits depend on class year (FR = \$3500, SO = \$4500, JR = \$5500, SR = \$5500). In addition, every student is eligible for \$2,000 in unsubsidized.
 - **Perkins Loan** is funded by the federal government – 5% fixed interest rate
 - The FAFSA must be filed to determine eligibility.
 - Schools then determine who will receive this limited need-based award.
 - **Federal Work Study**
 - An opportunity for the student to be paid for work done through an on-campus job or in some cases through non-profit community agencies.

WHAT IS A FINANCIAL AID PACKAGE?

- In late February / early March after a school has determined the student's financial aid eligibility, a financial aid package (award letter) will be sent to the admitted student. The package will list the various types and amounts of aid the student is eligible to receive.
- If additional sources of assistance are needed, families may choose to utilize a payment plan, Parent PLUS loan (8.50% fixed interest rate) or student alternative loan (variable interest rate).

WHAT HAPPENS NEXT YEAR?

- Yes, you must complete the process all over again! You will receive an email reminder from the central processor instructing you to go on-line and complete the FAFSA (in December). The FAFSA on the Web is pre-filled with much of the previous year's information. If you did not provide an email address on the previous year's FAFSA or the address is invalid, a letter will be

sent to you reminding you to file again.

Lebanon Valley College ~ 101 N. College Avenue ~ Annville PA 17003 ~ 1.866.LVC.4ADM