

College 101

FAQs For Students

Financial Aid

Do all schools offer federal financial aid?

No. The school must be accredited by an agency recognized by the Secretary of Education and eligible to participate in federal student aid programs. Federal financial aid is available only to students attending eligible institutions. Call the Federal Student Financial Aid Information Center toll-free to find out if a particular school is an eligible institution (1-800-4FED-AID).

What are my odds of getting financial aid?

Approximately 70% of full-time students receive some form of financial aid—federal, state, school, or private. Your chances of receiving need-based aid depend on your personal financial situation and the school you will attend.

What are some of the mistakes that people make during the financial aid process?

Four of the most common are:

- Not applying early enough.
- Not reading instructions.
- Not fully completing applications.
- Not using the correct Social Security Number.

Why is the expected family contribution (EFC) listed on the SAR different from the family contribution expected by the school?

The federal formula for computing the EFC may differ from those used by many schools. The federal formula does not consider home equity as part of the assets.

Do I have to apply for financial aid every year?

Yes. You must apply every year. Financial aid is not renewed automatically. The federal government may revise the rules governing financial aid, and your family's financial situation may change, so your financial aid cannot be renewed automatically. (On the positive side, you may then qualify for more aid, and if you were ineligible in a previous year, you may have become eligible.)

What is SAP and why do I have to worry about it?

Satisfactory Academic Progress (SAP) is a major factor in continuing to receive student financial aid. Federal law requires each postsecondary school to establish, publish, and apply reasonable standards for measuring if you are maintaining SAP during your education. Speaking of satisfactory academic progress, there is one other thing to remember. Once you've sent in your college applications, don't think you can slack off the rest of your senior year in high school. Colleges, even after you've been accepted, do look at your final grades for the year. Go into college at the same high level that you worked hard to establish prior to submitting your applications.

Could I lose my financial aid benefits if I don't register with the Selective Service?

Yes. If you are a male between the ages of 18-25, you must register with Selective Service.

FAFSA (Free Application for Federal Student Aid)

Do I need a Social Security number to apply for federal student financial aid?

Generally, you must have a Social Security number (SSN) to be eligible for federal student financial aid. If you submit a FAFSA without an SSN, your FAFSA will be returned to you unprocessed.

Is it better to wait until the income tax forms have been completed before submitting the FAFSA?

No. Submit the FAFSA as soon as possible after January 1. Do not wait until your taxes are done. Although it is better to do your taxes early, it is okay to use estimates of your income, so long as they aren't far off from the actual values. Keep in mind that if you wait too long, you may miss state aid deadlines. Most states require the FAFSA to be submitted by March 1 and some even as early as early or mid-February.

I didn't submit my FAFSA in January and it's now April. Are there any penalties for waiting so long to submit my FAFSA?

Ideally, you should complete a FAFSA as soon as possible after January 1. Most schools' deadlines are well in advance of the corresponding state and federal deadlines. And many colleges award aid on a first-come, first-served basis.

Do I have to submit a new FAFSA every year?

If you applied for aid last year, you may not have to complete an entire FAFSA, but can instead use a Renewal FAFSA. If you receive a Renewal FAFSA, you're only required to provide new financial data and non-financial information. You can leave information that has not changed from the prior year.

I'm not sure if I want to take out a student loan. What should I enter for the question asking if I am interested in student loans?

Answer "yes" so you do not limit your options. Most students do take out the student loans that are included in their financial aid award but you are not obligated to accept any aid listed in your award letter. You can always decline loans if you decide that you do not want them.

Why must I report the highest school level my parents completed?

Some states and schools make money available to support students who are first-generation college students. It also serves statistical purposes. If you don't know the answer, select "Other/unknown."

If I live with an aunt, uncle, or grandparent, should that relative's income be reported instead of parental information?

Only if the relative is your adoptive parent. Dependent students can be considered dependent only on their parent(s) and may report only parental information on the FAFSA. You must report any cash support given by relatives, but not in-kind support (such as food and housing) from relatives.

Why does the Department of Education ask for income information from the year before I go to school?

Studies have consistently shown that verifiable income tax information from the base year (2003 for the 2004-05 award year) is more accurate than projected (2004) information when estimating how much the family will be able to contribute during the coming school year.

What's the difference between cash support and in-kind support?

Cash support is support given either in the form of money or money that is paid on your (the student's) behalf. You must report cash support as untaxed income. Thus, if a friend or relative gives you grocery money, it must be reported as untaxed income on Worksheet B. If the friend or relative pays your electric bill or part of your rent, you must also report those payments. Examples of in-kind support are free food or housing that a family receives, usually in exchange for work or services. You usually don't report such support.

However, the application does require you to report the value of housing a family receives as compensation for a job on Worksheet B. The most common example is free housing or a housing allowance provided to military personnel or clergy.

What should I do if the parent with whom I live is remarried and the stepparent refuses to supply information?

If you are a dependent student and your parent is remarried, the stepparent's information must be included. By signing the FAFSA you agree to submit information verifying the accuracy of your completed form if requested. There are penalties for giving false or misleading information.

Who qualifies to be counted in the number in college?

Any person—not including parents—who is counted in the household and will be attending any term of the academic year at least half time. The enrolled family member must attend an eligible program at an eligible institution. You (the student) need not be enrolled half time, however, to be counted in the number in college. To be counted in the number in college, the person must also be working toward a degree or certificate leading to a recognized education credential at a

postsecondary school eligible to participate in federal student aid programs.

On my SAR there's a "*" after the EFC figure under the date. What does that mean?

Your FAFSA has been flagged for verification. You will need to supply documentation for the financial information on the FAFSA. This process is used to make sure the information student report is accurate. Verification prevents ineligible students from receiving aid by reporting false information and ensures that eligible students receive all the aid for which they are qualified.

Student Loans

What's the difference between a subsidized student loan and an unsubsidized student loan?

If you receive a subsidized Stafford loan, the federal government pays the interest while you are in school, during your grace period, and during some authorized periods of non-payment after you leave school. With an unsubsidized loan, you are responsible for this interest. (You may be able to defer paying the interest on an unsubsidized loan, but this interest will be added to your loan principal when you leave school or at the end of an authorized period of non-payment.)

Do I need a co-signer, co-borrower, co-maker, or endorser?

These terms are frequently used interchangeably. Basically, they all describe someone who agrees to repay the loan if you are unwilling or unable to do so. They usually must pass a credit check or review. If you are a foreign student, if you have no credit history or a low credit score, or if you attend certain schools, you may be required to have a co-signer.

Are private loans and alternative loans the same thing?

Yes. Private loans are also known as alternative loans. Private loans are designed to supplement the federal loan program and are available from schools, banks, and education loan organizations. Private loan terms vary considerably based on the lender and a borrower's credit history.

I got my first loan disbursement at school. Why isn't it for the full amount of my loan?

Federal regulations generally require that schools disburse loans in two or more disbursements with not more than half the loan given out at each. The disbursement schedule is determined by your school. Also remember that origination and insurance fees are deducted from your loan principal, so the loan funds you receive will be less than the amount you borrowed.

Are my parents responsible for my educational loans?

No. Parents are responsible for the PLUS loans. Parents will only be responsible for your educational loans if you are under 18 and they endorse your loan.

Who's Sallie Mae?

Sallie Mae is the nation's largest source of funding and servicing support for higher education loans for students and their parents. To learn more, visit [Sallie Mae](#).

Do I still have to repay my loan if I don't complete my education or am not satisfied with it?

Yes. Failing to pay back your loan will put you in default. And being in default is serious; among other things, it can scar your credit rating for years.

What is loan cancellation? Who's entitled?

If loans are a part of your financial aid award, you will have to repay them in monthly installments after you leave school. The federal government might cancel all or part of an education loan under certain circumstances. Loan cancellation may also be called loan discharge or loan forgiveness. Contact the Financial Aid Office for information regarding AmeriCorps, Peace Corps, VISTA, National Defense Education Act, and other loan cancellation programs.

What's the National Defense Education Act?

If you become a full-time teacher in a school that serves students from low-income families you may have a portion of your Perkins Loan cancelled under this Act.