

# Counselor Tips and Tools for Helping Students Understand Financial Aid, Throughout the College Decision Process

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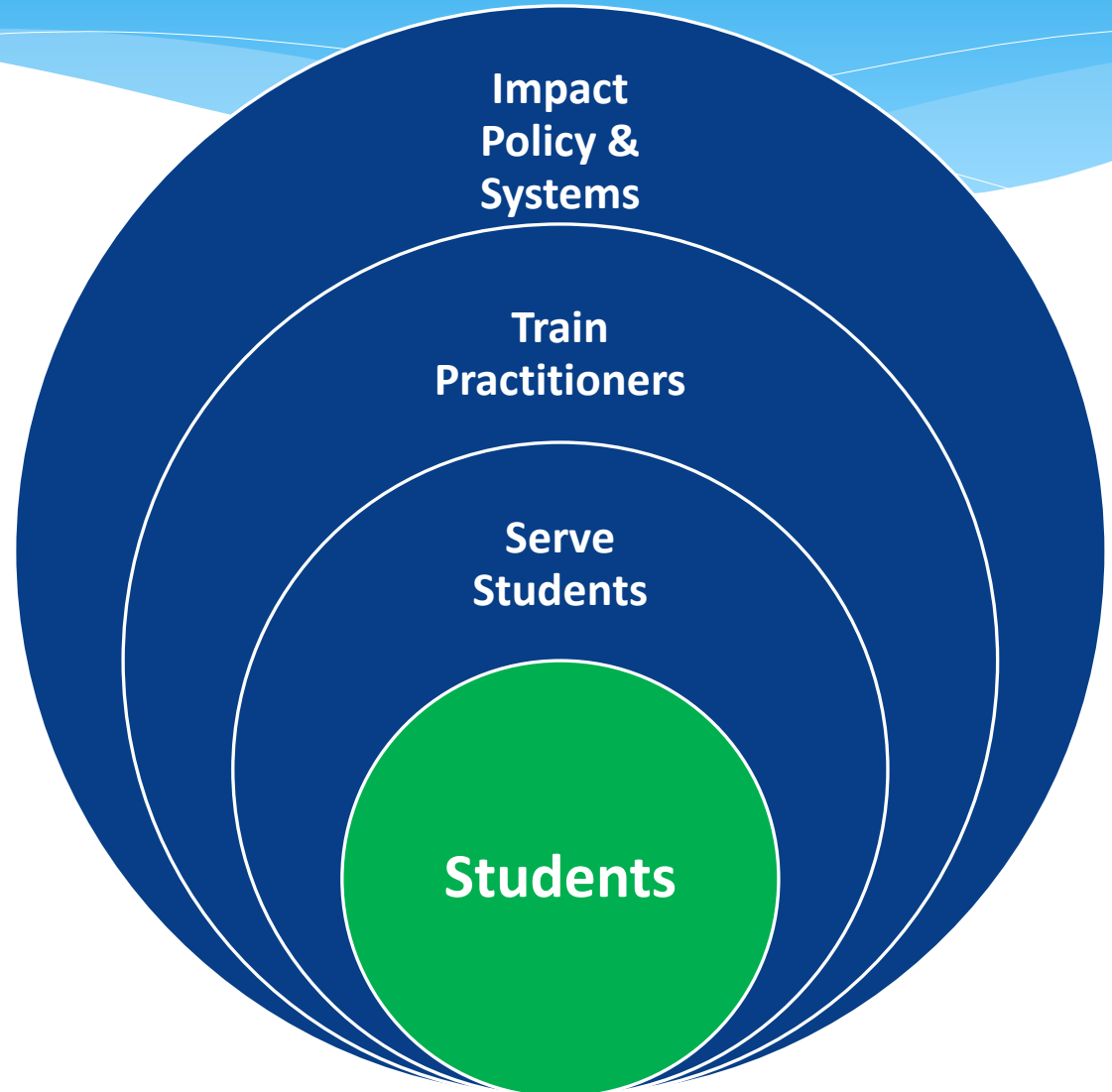
**SREB Webinar**

# Who is uAspire: Student-Centered Impact Models

We distribute our expertise in college affordability via three impact models, each aimed at positively impacting the lives and educational dreams of students from low-income, first generation backgrounds and the environments in which they live.

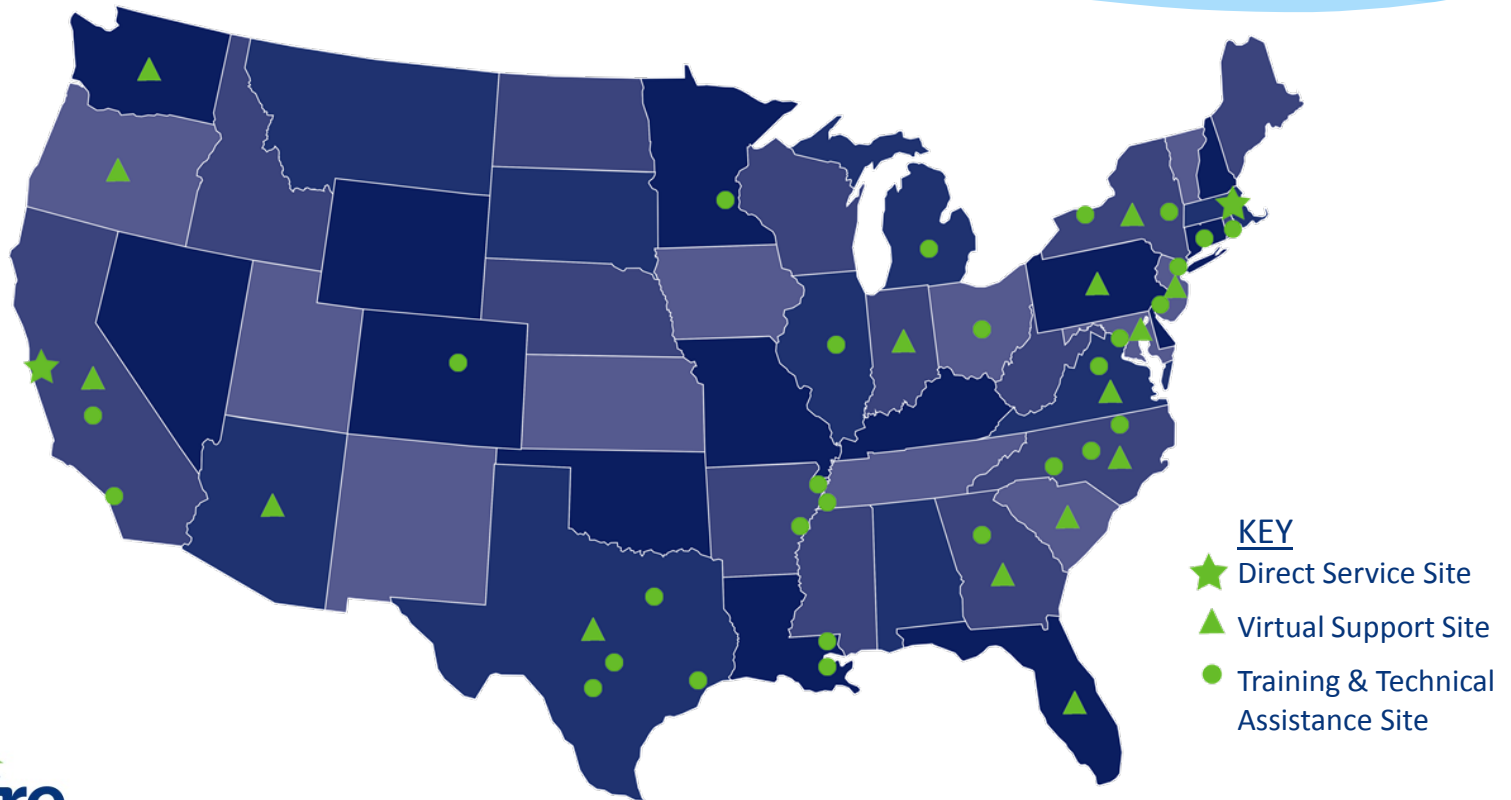
**To achieve student-centered impact, uAspire:**

- **Serves Students**
- **Trains Practitioners**
- **Impacts Systems**



# uAspire

works to ensure that all young people have the **financial information and resources** necessary to find an *affordable path* to – and through – a **postsecondary education**



# The Institute for College Access & Success (TICAS)

- \* An independent, nonprofit research and policy organization that works to make higher education more available and affordable for people of all backgrounds
- \* Our work on financial aid communication includes award letters, net price calculators, and loan counseling
- \* TICAS also works on issues related to student borrowing (see [The Project on Student Debt](#) and [IBRinfo.org](#)), grant aid, FAFSA simplification, and data policy

# Financial Aid Toolkit - Overview

- \* Launched in December 2013
- \* Online “one-stop shop” for counselors with information about financial aid, a searchable database of resources, and outreach tools
- \* Includes resources in Spanish and information for parents
- \* <http://FinancialAidToolkit.ed.gov>

# Financial Aid Toolkit – Search Function

## I AM LOOKING FOR

Resource Type ▼

- All
- Article or Email Content
- Glossaries
- Handouts
- How-To Guides
- Infographics
- Presentations
- Professional Guides
- Public Service Announcements
- Social Media Content
- Templates
- Training Materials
- Videos
- Web Resources and Tools
- Webinars and Audio Files

**DONE SELECTING**

## TO HELP

Audience Type ▼

- All
- Middle School Students
- High School Students
- Adult Students
- Current College Students
- Graduate or Professional Students
- Parents
- Military Families
- Federal Student Loan Borrowers
- Non-U.S. Citizens
- Spanish Speakers
- Middle School Counselors
- High School Counselors
- College Access Professionals
- Community-Based Organizations

**DONE SELECTING**

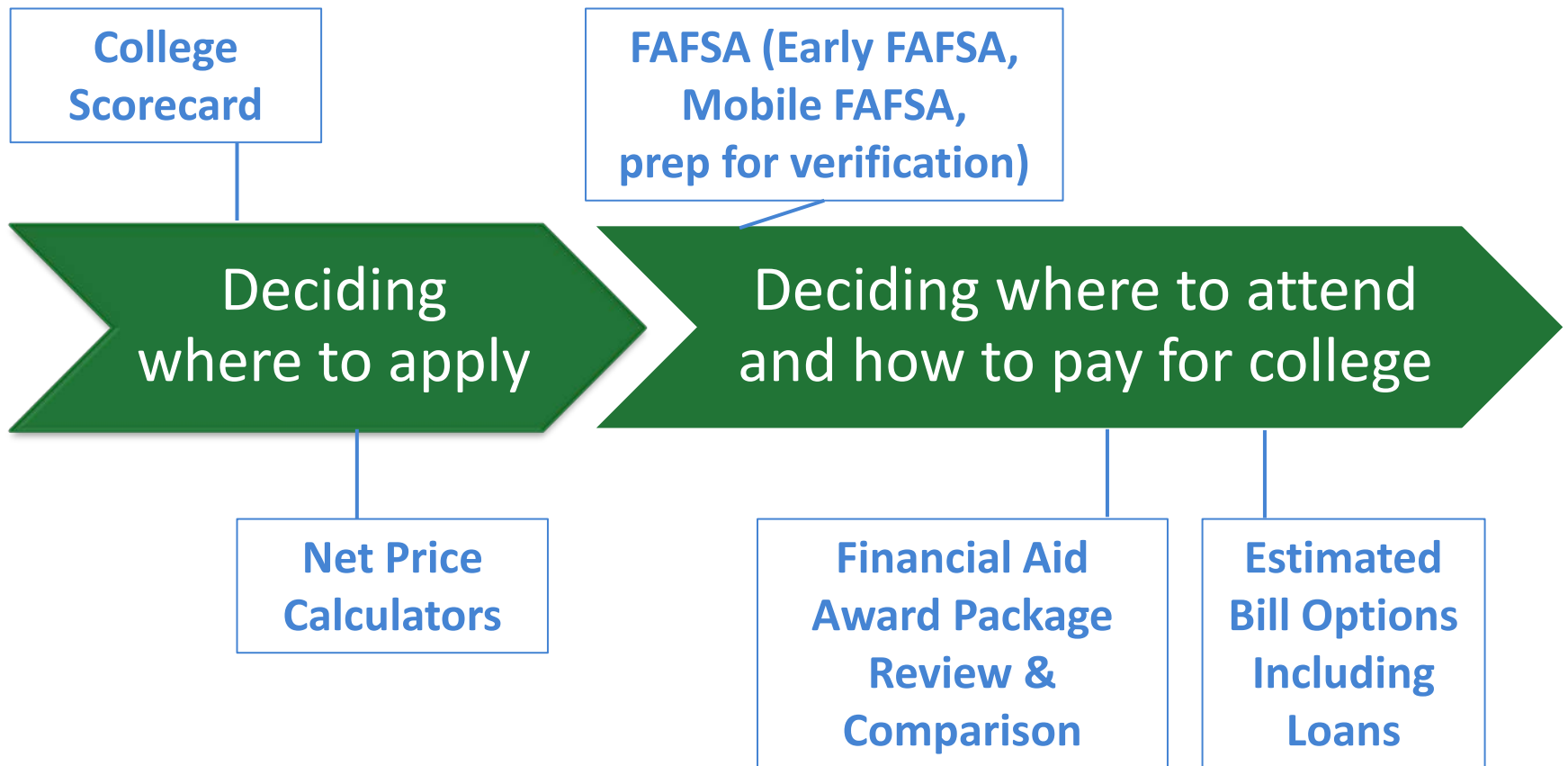
## LEARN ABOUT

Topic ▼

- All
- College Preparation
- Types of Aid
- Eligibility
- FAFSA
- FSA ID
- Receiving Aid
- Loan Repayment
- Financial Literacy
- Consumer Protection
- Counseling Students
- Hosting a Financial Aid Event
- Using Federal Student Aid Resources

**DONE SELECTING**

# Financial Aid Tools in the College Decision Process



# College Scorecard

## San Francisco State University



San Francisco, CA  
24,882 undergraduate students  
[sfsu.edu](https://sfsu.edu)

4

Year



Public



City



Large



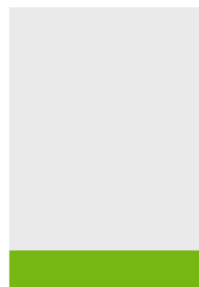
Asian American and Native American Pacific Islander-Serving Institution

Hispanic-Serving Institution

\* Online college comparison tool

\* Data on costs, graduation rates, student debt, post-college earnings, and more

Average Annual Cost



\$13,655

Graduation Rate



52%

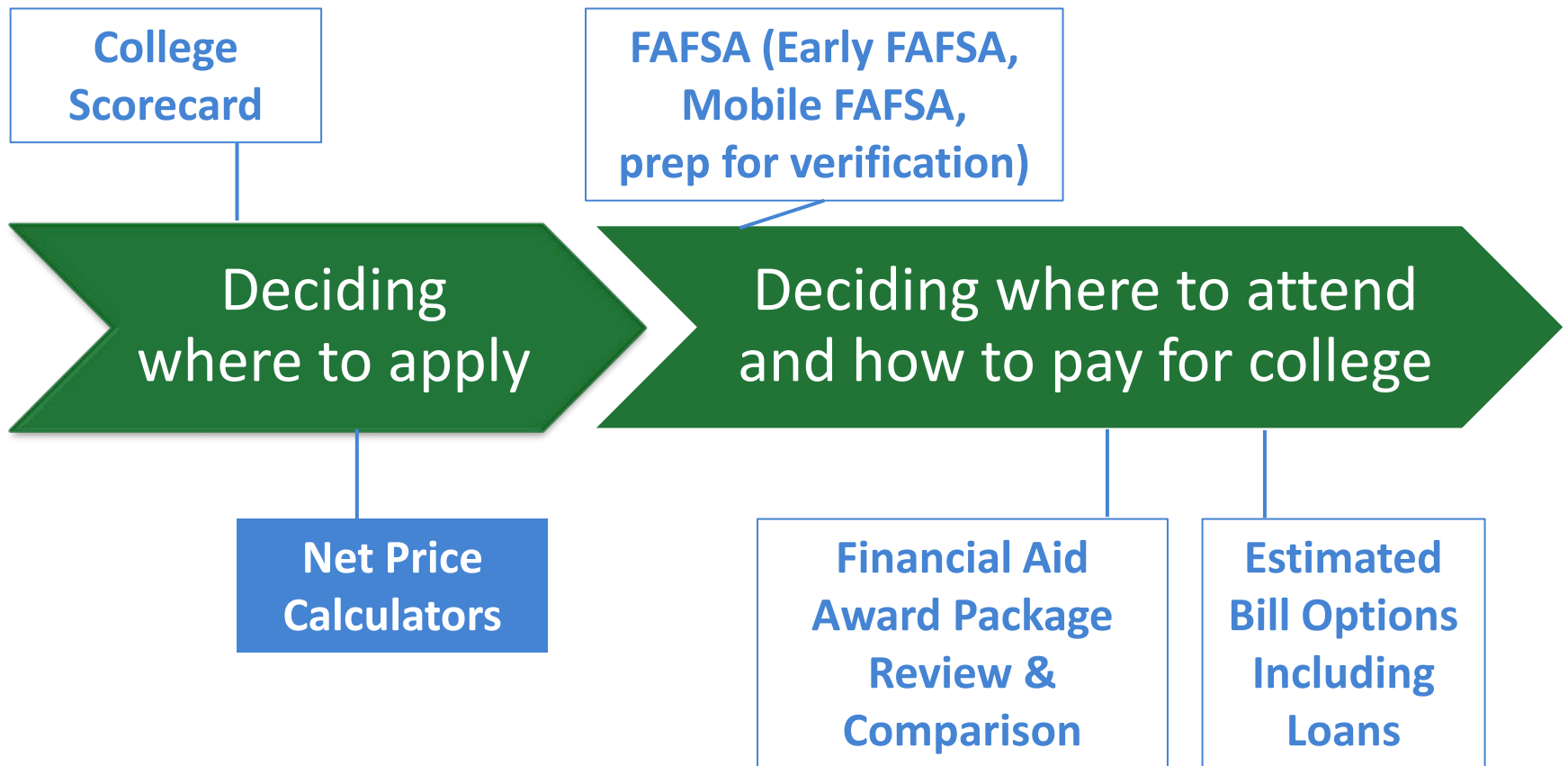
Salary After Attending



\$49,200



# Financial Aid Tools in the College Decision Process



# Net Price Calculators

- \* Online tools that provide students with early, individualized estimates of college costs & financial aid
- \* Almost half of students continue to look at “sticker price” when considering colleges instead of costs after subtracting financial aid.\*

**Academic Year: 2014-15**

Estimated tuition and fees	\$14,004
+ Estimated room and board charges (Includes rooming accommodations and meals)	\$8,000
+ Estimated cost of books and supplies	\$750
+ Estimated other expenses (Personal expenses, transportation, etc.)	\$2,100
<hr/>	
Estimated total cost of attendance:	\$24,854
- Estimated total grant aid: (Includes both merit and need based grant and scholarship aid from Federal, State, or Local Governments, or the Institution)	\$2,755
<hr/>	
<b>Estimated Net Price After Grants and Scholarships:</b>	<b>\$22,099</b>

Grants and scholarships do not have to be repaid. Some students also qualify for student loans to assist in paying this net price; however, student loans do have to be repaid.

Cambridge College, <https://www.cambridgecollege.edu/net-price-calculator/>

# Net Price Calculators

## @ uAspire

- \* Given shift to Early FAFSA, limited time to hold “Financial Safety School” in-person conversations with HS seniors
  - \* uAspire’s shifting programs so that these conversations can take place during Spring of Junior year moving forward
  - \* We will use EFC calculator, NPCs, and 5+ years of award letter collection data to determine potential affordable options
- \* Tool to direct students to in our texting advising work
- \* In absence of other, more accurate tools, helpful starting point
  - \* Helps uncover potential challenges for senior year form completion
  - \* Provides introduction to language used in process and intro to college websites

# Tips for Using NPCs

## TIPS for STUDENTS

- \* Have family financial information ready
- \* Focus on the “net price/cost”
- \* Be wary of unrealistic estimates of self-help (work and loans)

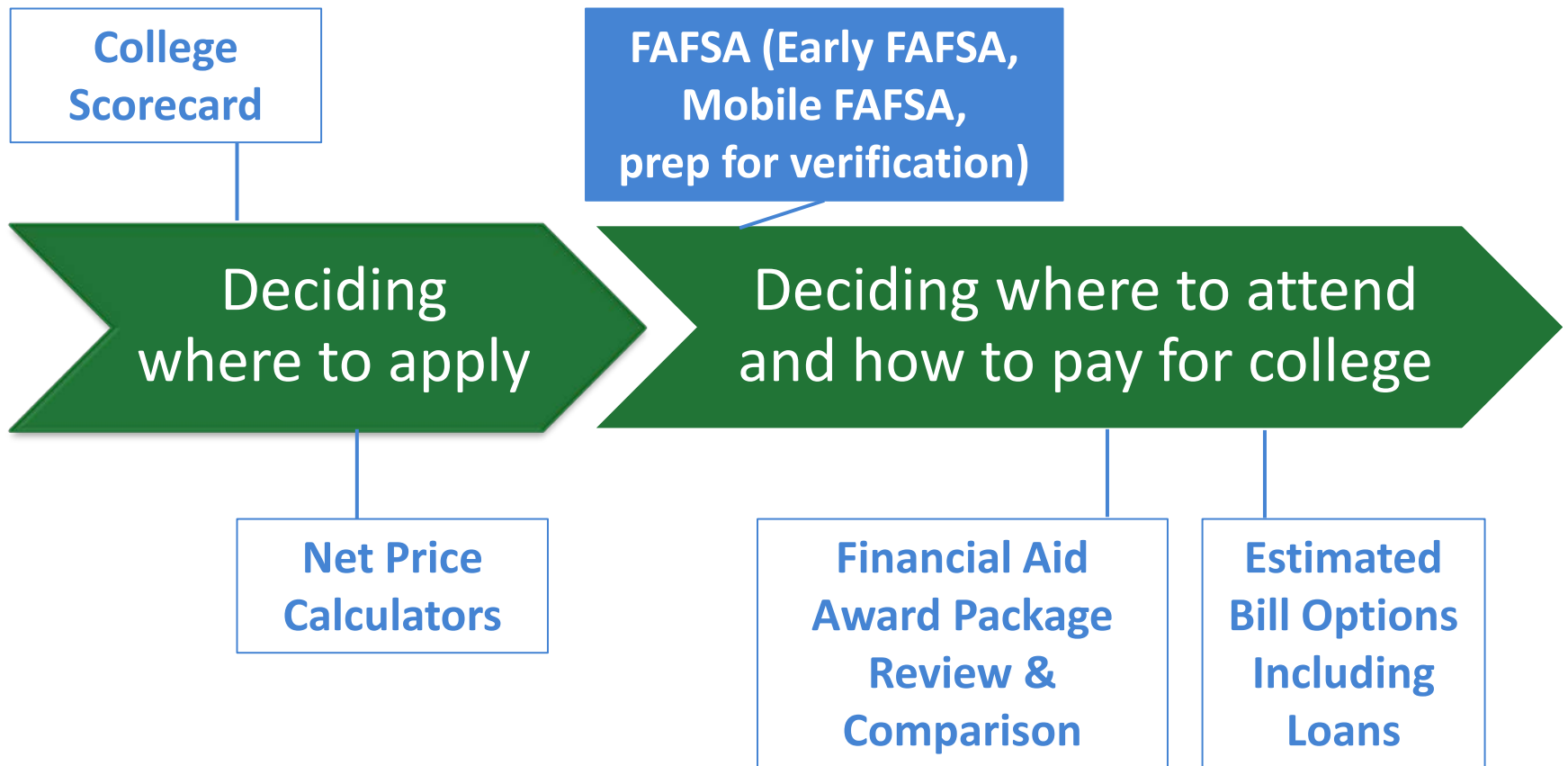
## TIPS for PRACTITIONERS

- \* Dissect results and terminology
- \* Provide next steps: contact information for schools’ financial aid offices, scholarship resource lists, etc.
- \* Respect emotions that may occur

- **Keep in mind:**

- Results are estimates, not final aid awards
- NPCs don’t take the place of a financial aid application
- Estimates apply to a particular year; costs may be different in later years.
- The difference between grants, loans, and work-study

# Financial Aid Tools in the College Decision Process



# uAspire Best Practices for Current Financial Aid Timeline

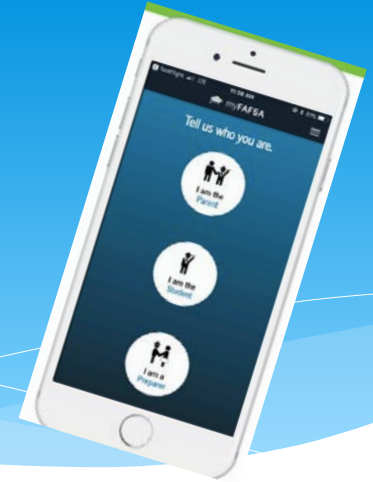
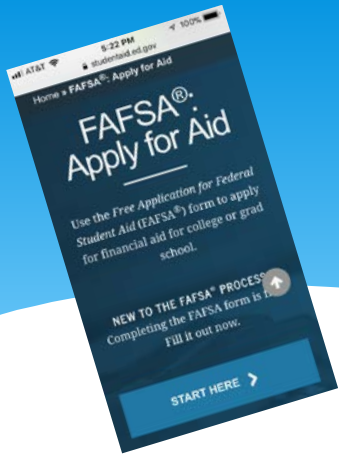
*The transition to **Early FAFSA** caused shifts in the overall financial aid timeline for students. Given that, here are some of uAspire's best practices for working with students:*

- \* Begin building college lists in Junior year
- \* Revisit the college list at every student meeting. *"Is this still your list?"* – Must remind them to add any new colleges to the FAFSA as needed
- \* During FAFSA completion students should be made aware of the potential for non-alignment of PPY tax info and the current fiscal reality for students/parents; and how to advocate, if so
- \* Set the expectation that students are **not** 'done' with financial aid after submitting the FAFSA
- \* Begin discussing "financial safety schools" in the Junior year, utilizing tools like NPCs and EFC calculators
- \* Introduce the concept of AL review and comparison early in senior year, and expect to make time to actually review and compare award letters from Dec through May
- \* Help students determine if their award letters are **estimated/tentative**, and if so, set the expectation that their award might change at a later time
- \* Educate our students about the May 1<sup>st</sup> timeline, and **strongly encourage students to hold off on making a deposit/committing to one college** until after they've reviewed all of their award letters

# IRS Data Retrieval Tool for FAFSA

- \* IRS Data Retrieval Tool (DRT) allows students and parents to electronically transfer their IRS data into the FAFSA
  - \* Streamlines the application process
  - \* Reduces the information that may need to be “verified” later
- \* Security changes implemented in October 2017:
  - \* Data are hidden during the transfer process
    - \* Can ask college financial aid office to see data submitted
  - \* IRS will mail letters when tax information is accessed through DRT

# FAFSA Mobile Options



- \* The FAFSA can now be easily accessed from a mobile device, using FAFSA.gov or the myStudentAid mobile app
- \* Can start on phone and finish on computer, or vice-versa
- \* Certain functionality is only currently available on FAFSA.gov:
  - \* Access for undocumented parents (who can't get a FSA ID)
  - \* Transferring data to another child's FAFSA
  - \* Viewing Student Aid Report (SAR)
  - \* Making corrections to FAFSA



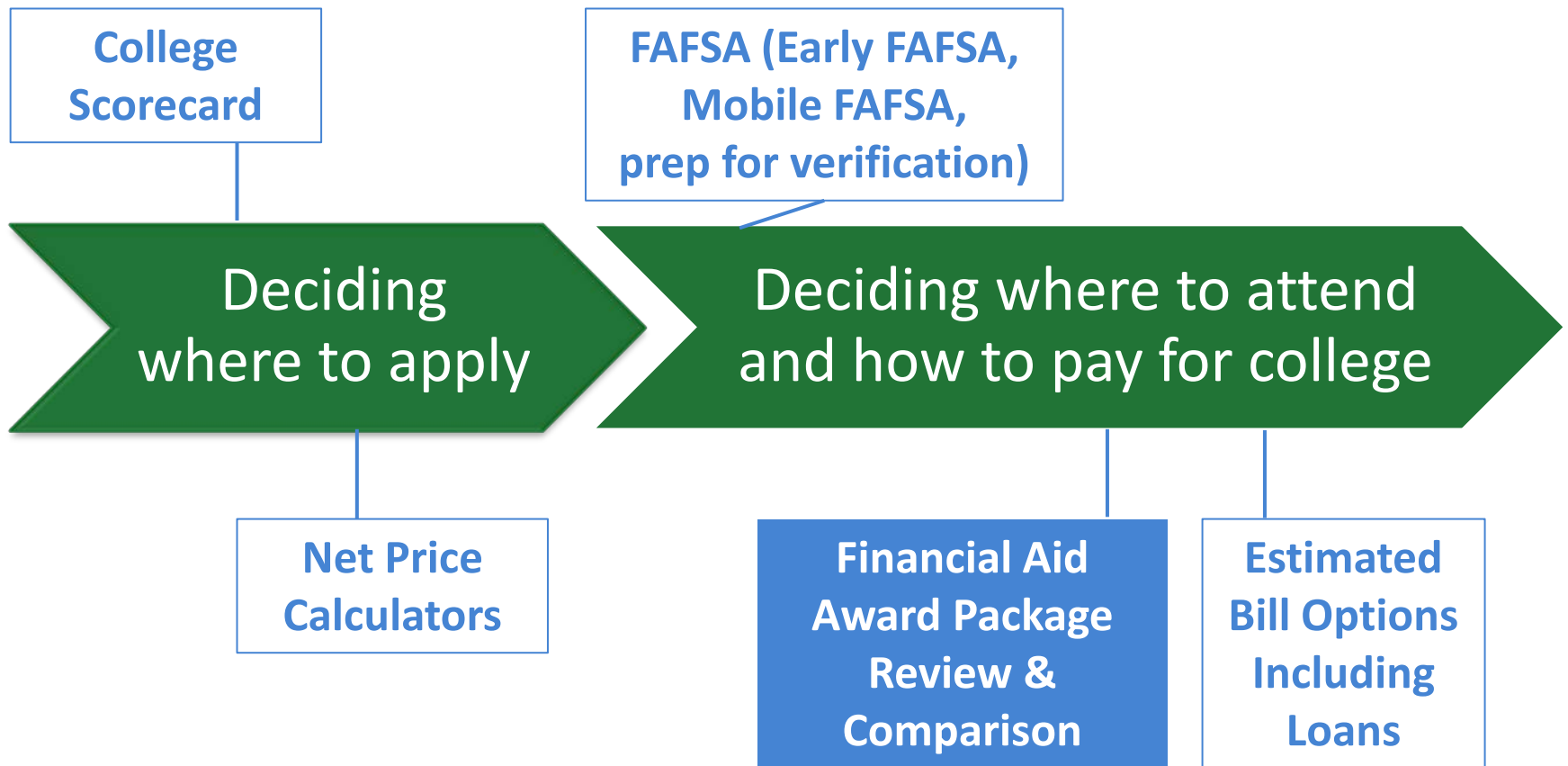
# Potential Impact of Mobile FAFSA Changes

- \* Various kinds of devices, including smartphones and tablets, can be used at FAFSA completion events for students and families
- \* App may push more students to make FSA IDs earlier in the process
- \* Increased accessibility may lead to more students having started before meeting with a college access professional - increased need to check over already entered info
- \* App functionality may lead to issues with IRS DRT use, and signatures – students and parents will need to sign in and sign out several times

# Preparing for Verification

- \* “Verification”: when students and/or parent(s) are required to submit additional documentation to colleges before they can receive financial aid.
- \* Tips for verification:
  - \* Request tax transcripts EARLY for students and/or parent(s) unable to use the IRS DRT
    - \* IRS will no longer put SSN on tax transcripts so colleges may request new processes for how to indicate identity on tax transcript
  - \* Parent(s) don’t file taxes? May be required to submit verification of non-filing letter; Dependent students don’t need verification of non-filing
  - \* Getting selected doesn’t mean the student/family did anything wrong!
  - \* Encourage students to review SAR even when no updates are needed in order to give first warning of verification (if selected)
  - \* Remind students regularly to be on the lookout for verification requests via email, mail, portal and to stay in touch with college financial aid offices.

# Financial Aid Tools in the College Decision Process



# Financial Aid Award Letters

- \* TICAS' and uAspire/New America's recent analyses of hundreds of award letters found:
  - \* Many don't include the full cost of attendance
  - \* Many group grants, loans, and work-study together
  - \* Many don't calculate bottom-line costs, and those that do use inconsistent calculations. Very few calculate "net price"
  - \* Many use jargon or inconsistent terms for the same type of financial aid

TICAS. 2017. *Cost in Translation: How Financial Aid Award Letters Fall Short*. <https://bit.ly/2jWcrhl>.

uAspire and New America. 2018. *Decoding the Cost of College: The Case for Transparent Financial Aid Award Letters*.

<https://bit.ly/2v03kS1>.

# Award Letter Example

## Cost of Attendance

**\$71,572**

	Fall Budget	Winter Budget	Spring Budget	Summer Budget	Annual Budget
Tuition and Fees	\$17,045	\$17,010	\$17,010	N/A	\$51,065
Textbooks	\$400	\$400	\$400	N/A	\$1,200
Supplies	\$500	N/A	N/A	N/A	\$500
Room and Board	\$4,789	\$4,789	\$4,789	N/A	\$14,367
Transportation	\$588	\$588	\$588	N/A	\$1,764
Personal Expenses	\$838	\$838	\$838	N/A	\$2,514
Loan Fees	\$54	\$54	\$54	N/A	\$162
<b>Total</b>	<b>\$24,214</b>	<b>\$23,679</b>	<b>\$23,679</b>	<b>N/A</b>	<b>\$71,572</b>

## Financial Aid Awards

**\$71,572**

	Fall Award	Winter Award	Spring Award	Summer Award	Annual Award
██████████ Scholarship	\$6,540	\$6,540	\$6,540	N/A	\$19,620
██████████ Grant	\$7,320	\$7,320	\$7,320	N/A	\$21,960
██████████ Scholarship	\$1,667	\$1,667	\$1,666	N/A	\$5,000
Pell Grant	\$455	\$455	\$455	N/A	\$1,365
Subsidized Direct Loan	\$1,167	\$1,167	\$1,166	N/A	\$3,500
Unsubsidized Direct Loan	\$667	\$667	\$666	N/A	\$2,000
Potential Parent PLUS Loan	\$6,042	\$6,042	\$6,043	N/A	\$18,127
<b>Total</b>	<b>\$23,858</b>	<b>\$23,858</b>	<b>\$23,856</b>	<b>N/A</b>	<b>\$71,572</b>

## Remaining Cost

**\$0**

# Award Letters: A Full Year Conversation

@ uAspire

- **Previous Data (Junior Year through Fall of Senior Year)**

- \* Review past award letter data, use trends to help build college lists with Financial Safety Schools
- \* Share trends with students, practitioners, and districts

- \* **Review & Collection (\*Dec - June)**

- \* Award letter review and conversations
  - \* 1:1 with advisors, walk through, using **uAspire Award Letter Analyzer**
  - \* Support with appeals process, if applicable
  - \* Always couple with next steps and resources
  - \* \*Note that given **Early FAFSA**, award letters are arriving on an expanded timeline
- \* Award letter collection

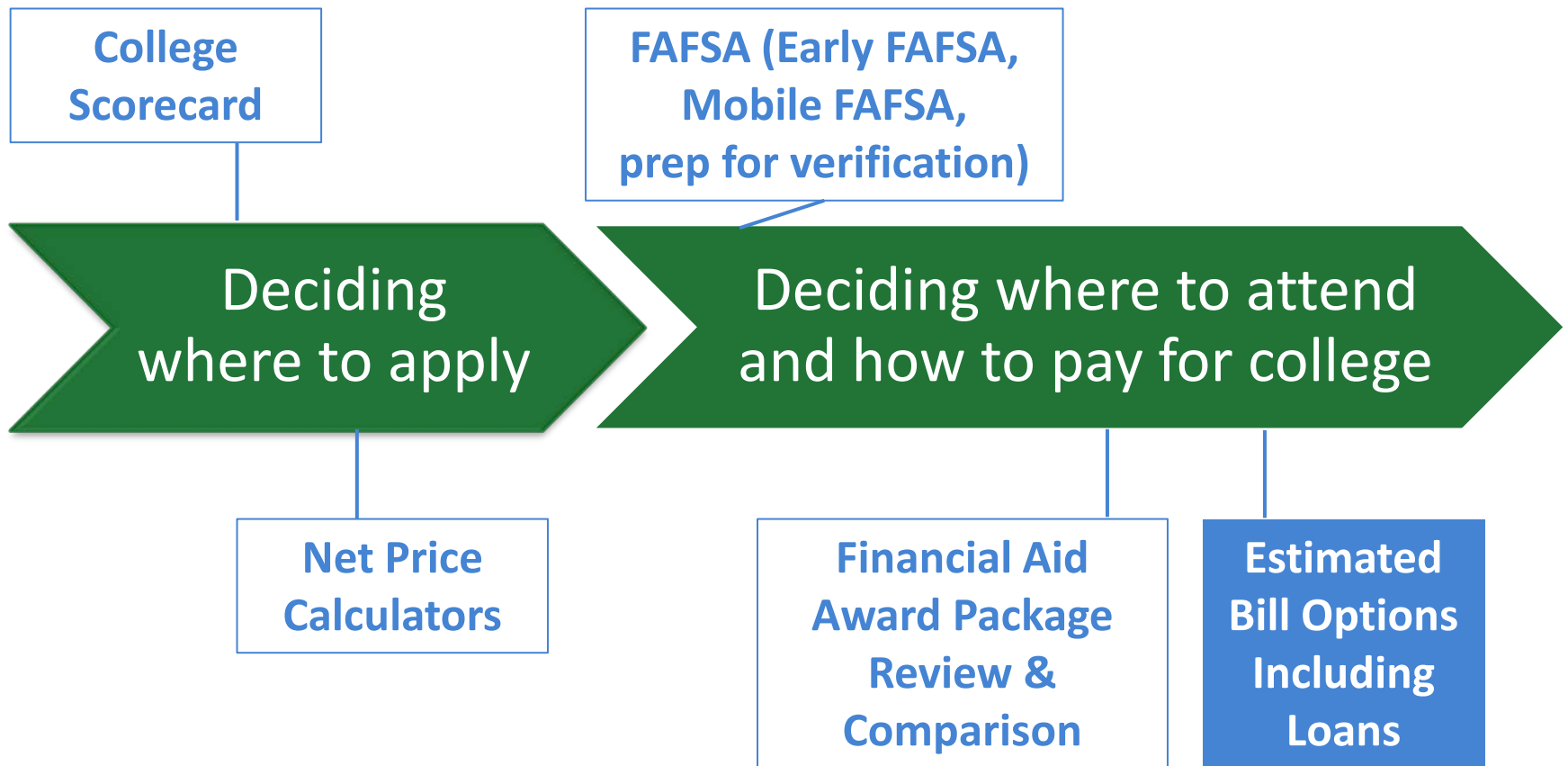


# Financial Aid Award Letter Review

## Best Practices for Counselors


- \* **Practice:** prepare students and families ahead of time
- \* **Provide** glossary of terms to the students
- \* **Analyze** and **Compare** award letters with student and families. There are various tools out there such as the Consumer Financial Protection Bureau's [Paying for College](#) tool and the uAspire Award Letter Analyzer
- \* **Broker** communication with colleges
- \* **Support:** encourage students and families to ask you questions, be present for conversations
- \* **Collect** data to analyze trends

# Financial Aid Tools in the College Decision Process





# How to Provide Support on Estimated Bill Options

- \* First – Savings, Tuition Payment Plans, summer work, outside scholarships
- \* Second- Loans
  - \* “Which loan would you suggest?”
    - \* Begin with: we are not loan experts or providers
  - \* Create awareness of Parent PLUS
    - \* Look for schools who package this. Why is packaging this loan a challenge?
    - \* Apply  Must accept
  - \* Explain Subsidized and Unsubsidized
  - \* Norm using federal loans (smartest) and caution on private loans

# Student Loans Resources

- \* TICAS resources
  - \* <http://projectonstudentdebt.org>
- \* Federal Student Loan Terms for 2018-19

## FEDERAL STUDENT LOAN AMOUNTS AND TERMS FOR LOANS ISSUED IN 2018-19

This chart summarizes the interest rates, loan limits, and other terms for federal student loans issued from July 1, 2018 through June 30, 2019.

Excerpt

<b>Types</b>	<b>Subsidized Stafford Loan:</b> Available only to undergraduate students on the basis of financial need. No credit check required. The federal government covers the interest on these loans while borrowers are enrolled at least half time and for six months after they are no longer enrolled at least half time. Monthly payments are not required until six months after leaving school.
	<b>Unsubsidized Stafford Loan:</b> Available to undergraduate and graduate students <i>regardless of financial need</i> . No credit check required. Interest is charged throughout the life of the loan. Monthly payments are not required until six months after leaving school.
<b>Annual Loan Limits</b>	<b>Dependent undergraduates (most students under the age of 24):</b> \$5,500 as freshmen (including up to \$3,500 subsidized); \$6,500 as sophomores (including up to \$4,500 subsidized); \$7,500 as juniors and seniors (including up to \$5,500 subsidized).
	<b>Independent undergraduates (students age 24 or older) and dependent students whose parents are unable to obtain PLUS Loans:</b> \$9,500 as freshmen (including up to \$3,500 subsidized); \$10,500 as sophomores (including up to \$4,500 subsidized); \$12,500 as juniors and seniors (including up to \$5,500 subsidized).
	<b>Graduate students:</b> \$20,500 (or \$40,500 for certain medical training).
<b>Aggregate Loan Limits</b>	<b>Dependent students:</b> \$31,000. <b>Independent undergraduates and dependent students whose parents are unable to obtain PLUS Loans:</b> \$57,500. <b>Graduate and professional students:</b> \$138,500 (or \$224,000 for certain medical training) including undergraduate borrowing.
<b>Interest Rates</b>	The interest rate for <b>undergraduate Stafford</b> loans, both subsidized and unsubsidized, is 5.05%. Rates are fixed for the life of the loan. (See page 2 for how interest rates are determined.)
	The interest rate for unsubsidized <b>Stafford loans made to graduate students</b> is 6.60%. Rates are fixed for the life of the loan. (See page 2 for how interest rates are determined.)

# Student Loans

## Resources

- \* Resources from the Department of Education:
  - \* Information on [Studentaid.gov](http://studentaid.gov), including about income-driven repayment plans (<http://studentaid.gov/idr>)
  - \* Repayment estimator (<http://studentaid.gov/repayment-estimator>)
  - \* Videos

<https://www.youtube.com/user/FederalStudentAid>





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