



UNDERSTANDING AWARD LETTERS

TODAY'S PRESENTERS



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OBJECTIVES



At the end of this session, you will be able to:

- Identify **good** aid and **not-so-good** aid
- **Compare** offers to determine **affordability**
- Determine which aid to **accept** and which to potentially **decline**
- Identify options and next steps when **unmet need** is too high
- Know when, how and under what circumstances to consider a **professional judgment review** or **special circumstances** appeal
- Q&A

KEY TERMS

Cost of Attendance



- Tuition + Fees
- Housing
- Food
- Books/Supplies
- Transportation
- Misc. Expenses

Cost affected by

Type of institution
On-Campus/Off Campus
Resident/Non-Resident
of credits enrolled

What is included in the cost of attendance?

KEY TERMS



Direct Costs

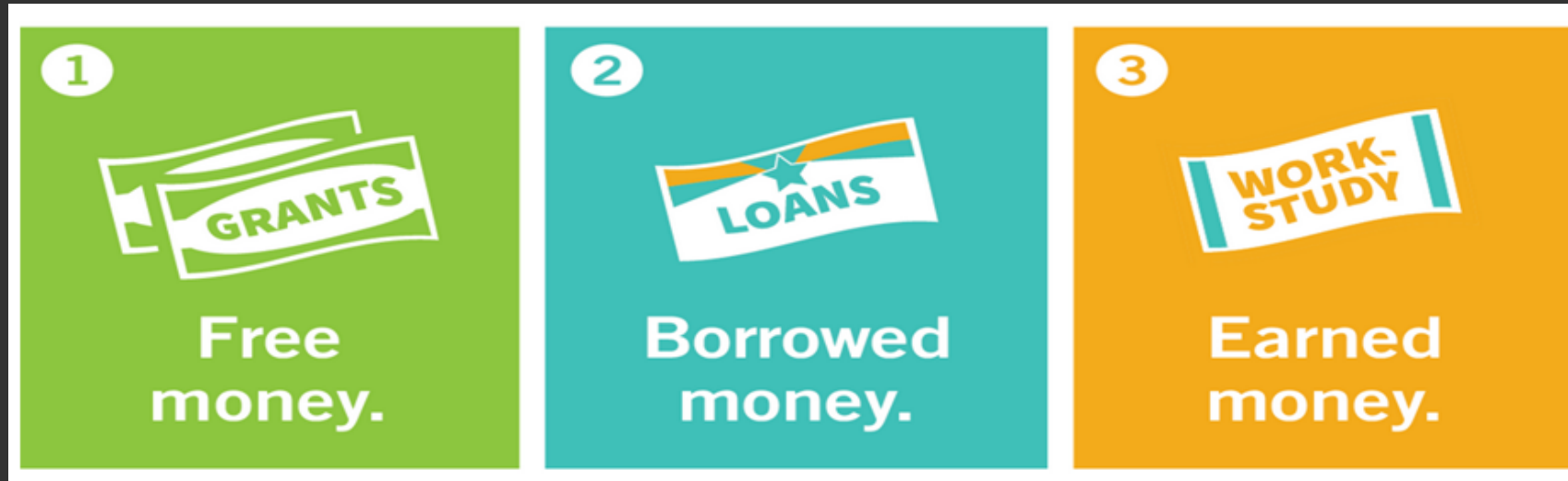
Direct costs include charges which are paid directly to the school such as tuition, fees, and room and board if you are living on campus



Indirect Costs

Indirect costs are necessary costs incurred by the student while attending school, but not paid directly to the institution.

TYPES OF FINANCIAL AID



Grants and scholarships are usually based on financial need and don't have to be repaid

Loans are an investment in your future... if you borrow only what you need. Remember, they must be paid back with interest!

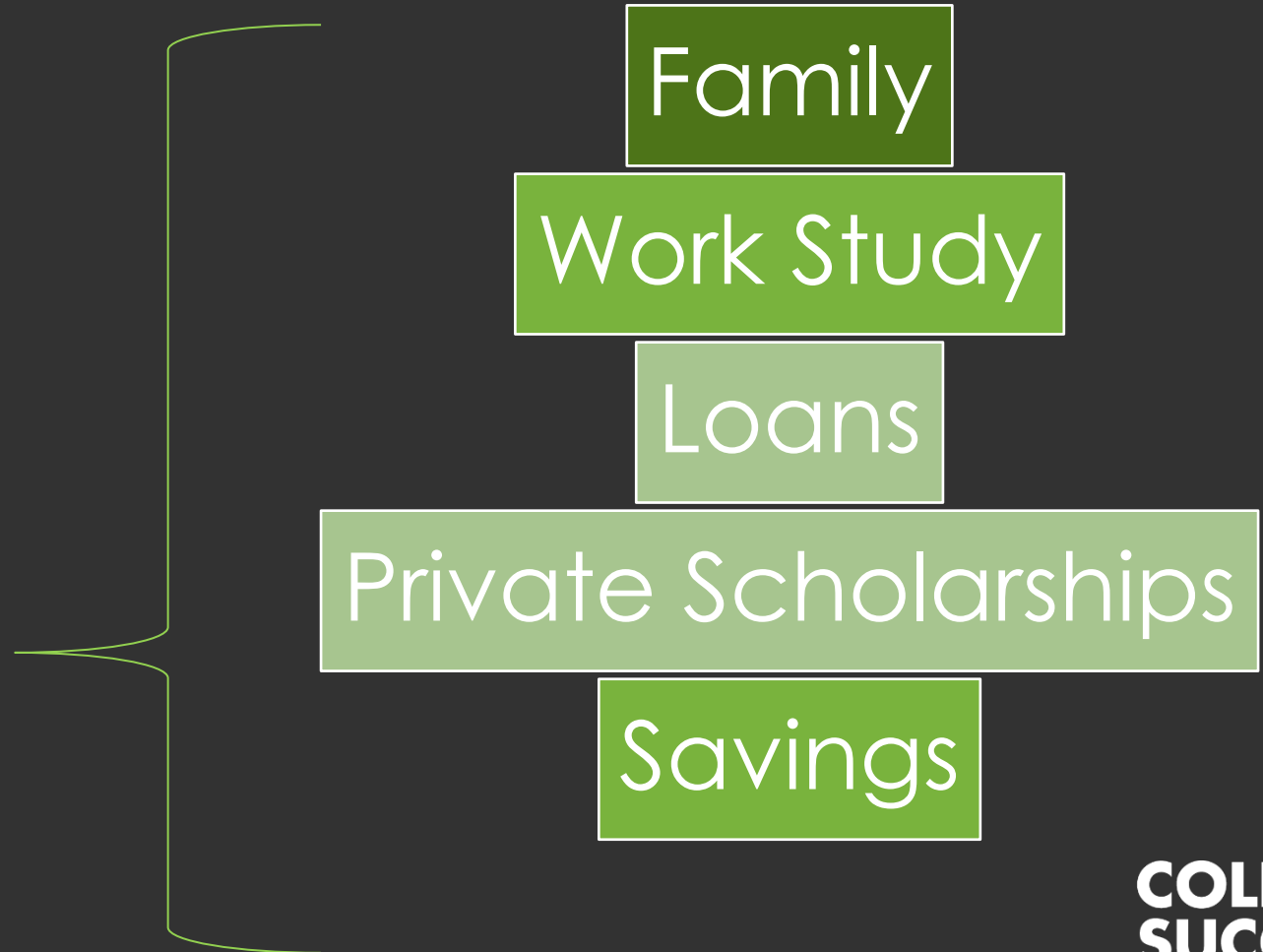
Work-Study job allows you to earn money while you are in school

What financial aid is considered Borrowed Money?
Borrowed Money?
Money?

HOW IS NEED DETERMINED?

COST OF ATTENDANCE
- FREE MONEY

UNMET NEED



WHY COMPARE FINANCIAL AID PACKAGES?



KNOWLEDGE

- It's important to know...
- What types of aid you are receiving
- How much you are borrowing?
- What the long-term consequences may be?



FINANCIAL PLANNING

- Understanding financial repercussions
- How much debt are you willing to have?
- Starting salaries and student loan payment



BARGAINING TOOL

- Don't be afraid to ask for more money!
- Is there flexibility in kinds of aid offered?
- Do schools have additional money to award students?



SURPRISES

- Important to consider all the numbers!
- Cost does not always equal affordability



MAKING A DECISION

- Make informed decision
- Know your rights
- Research your options
- Take into consideration all facts and consequences

A GOOD AWARD LETTER



- What is the **total cost of attendance** for 1 year?
- How much **free money** (grants and scholarships) did you receive?
- How much will you have to **pay out of pocket**?
 - Borrow, work for, or use of any savings
- Options for **unmet need**?
- What are the **next steps**?

A GREAT AWARD LETTER



- How many **hours of work a week** to earn **work study award**?
- What are the **requirements to renew** scholarships and **grants** for the following year?
- What are the **terms, conditions and monthly payments** of the **loans**?
- Is it clear that you can **decline to take any or all** part of awarded **loans**?
- If a **plus loan** is awarded, is it clear that it is **dependent on parent(s)' credit** and that only parents with acceptable credit can receive a plus loan?
- How much will it **cost to graduate**?

EXAMPLE OF GREAT AWARD LETTER

Date: 05/13/16
To: John Doe
SID: 1222222

San Juan University (4-YR Private) is pleased to offer you the following estimated financial aid resources to support you in achieving your goal of earning a degree at one of the best regional universities in the West. This award is based on you living on campus. Your **most current EFC** on record is \$0.

To assist you in understanding your financial aid award, please read the Financial Aid Undergraduate Award Reference Guide at www.SanJuan.edu/undergraduatefinancialaid.

Based on these credits:	Fall: 12+	Spring: 12+	Total: 24+
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Grants and Scholarships: Gift aid is awarded based on academics, need, talent, or a combination of these. It is provided by federal, state, private and institutional resources. It **does not have to be repaid.**

Type of Grant	Annual Amount	Fall term	Winter Term
Presidential Scholarship	\$20000	\$10000	\$10000
Federal Pell Grant	\$5815	\$2908	\$2907
Diversity Scholarship	\$1000	\$500	\$500
State Need-based Grant	\$8517	\$4258	\$4259
College Bound Scholarship	\$3387	\$1693	\$1694
Private Scholarship #1	\$3000	\$1500	\$1500
Private Scholarship #2	\$4000	\$2000	\$2000

Loans: Loans are an investment in your future and will **need to be repaid** once you complete your time in college.

Type of Loan	Annual Amount	Fall term	Winter Term
Fed Dir Subsidized Loan	\$3500	\$1750	\$1750
Fed Dir Unsubsidized Loan	\$4000	\$2000	\$2000

Defines in detail that this aid does not have to be repaid*

Number of credits is important because financial aid award amounts are **based on enrollment**. Students need to be aware that the amount may be adjusted if they drop credits.

Clearly states that aid has to be repaid

Example of Great Award Letter



You will have to complete an Entrance Counseling online and sign a Master Promissory Note (MPN) at <https://studentloans.gov/myDirectLoan/index.action> You need to do this 4-6 weeks prior to needing funds.

Student Employment: Student employment provides students with the opportunity to earn income to cover their expenses. These earnings are paid to students twice a month. Average hourly rate is \$10/hr. There are usually 14 weeks in a semester.

Type of Work Study	Annual Amount	Fall term	Winter Term
Federal Work Study	\$2500	\$1250	\$1250



You will have to find a job (listing on the student portal under Financial Aid, Job Openings) and complete New Hire paperwork (available on the student portal Under Financial Aid, Work Study, New Hires). You will not be able to start your new job without completing this paperwork and attending a New Hire Orientation. Information will be sent to you when you submit your New Hire documents.

Your financial aid resources (excluding work study earnings) for 2016-2017 as of 05/13/16 = \$49,219.00



We cannot finalize your financial aid until all requested processes/documents have been received. Changes in your financial information or availability of funding may require a revision to your financial aid.

- Signed Higher One Card Authorization – Due by: July 1st, 2016

If you wish to decline any portion of this award, send an email to finaid@SanJuan.edu. Please indicate the amount and resource(s) you are declining. San Juan grants and scholarships are used to cover San Juan tuition only.



Nine-Month Estimated Budget for 2016-17

San Juan Costs	Tuition	Fees	Room & Board	Total Expenses
On Campus	\$39,600	\$962*	\$11,170	\$51,732
Off Campus	\$39,600	\$962*	See below.	\$40,562

On-campus room and board are based upon a shared double room with the maximum meal plan. Other estimated costs are based upon survey information. Your budget may vary.

* Total fees include: 240 (ASWU Fee) +304 (Wellness Fee) +418 (Campus Facility Fee)

Detailed breakdown of the cost of attendance (COA)

The background features a white surface with several colorful question marks scattered across the top half. The question marks are in shades of teal, orange, pink, purple, and green. In the bottom half, there are several stylized, colorful hands reaching upwards. The hands are in shades of teal, purple, orange, and green, overlapping each other.

HEADS UP


If award letters do not answer these questions, it is **CRITICAL** you **ASK** the financial aid office and/or research the answers

EXAMPLE OF A BAD AWARD LETTER

This award letter includes **very little information for students** to make informed decisions.

No cost of attendance, no EFC, no instructions on how to accept loans, etc.

Award History

 To display more detailed information about a loan listed below, select Loan Applicator History.
If you require award history information prior to academic year 2006-2007, please contact the Financial Aid Office.

History for the Aid Year 2019-2020

Fund	Offered	Accepted	Declined	Cancelled	Total	Paid to Date
Deans	\$2,000.00	\$2,000.00			\$2,000.00	\$0.00
Federal Pell Grant	\$6,195.00	\$6,195.00			\$6,195.00	\$0.00
Washington State Need Grant	\$6,213.00	\$6,213.00			\$6,213.00	\$0.00
Federal Direct Subsidized Loan	\$3,500.00				\$3,500.00	\$0.00
Fed Direct Unsubsidized Loan	\$2,000.00				\$2,000.00	\$0.00
Total	\$19,908.00	\$14,408.00	\$0.00	\$0.00	\$19,908.00	\$0.00



No outside resource information is available for you at this time, please contact your financial aid office if you have questions.

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QUESTIONS TO ASK WHEN LOOKING AT YOUR AWARD LETTER



COST

- Does the award letter state the school's cost of attendance (COA?)
- If so, does it include all projected costs (i.e., tuition, fees, room and board, books, transportation, and personal expenses?)

REQUIREMENTS

- Are all scholarships renewable?
- What are the requirements to keep the award?
- Can you switch majors and keep the scholarship?

FAMILY

- What is your expected family contribution?
- Is there any unmet need?
 - If yes, how is the student/family planning to cover it?

QUESTIONS TO ASK WHEN LOOKING AT YOUR AWARD LETTER



LOANS

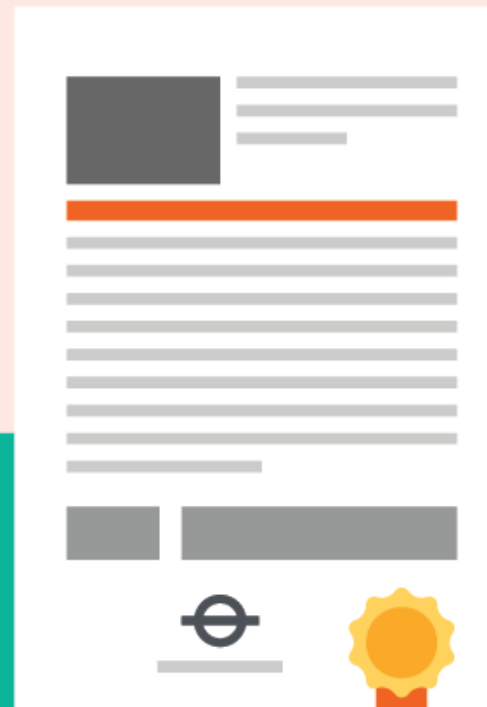
- What kinds of loans did the school offer?
- How much are you willing to borrow?
- What are the interest rates, terms and conditions?
- What will overall debt look like 4, 5, 6 years down the road?

ADJUSTMENTS

- Does the school have a policy for changing aid (known as aid displacement) if a student receives a non-institutional scholarship?

NEXT YEAR

- Does the financial aid package cover the same expenses every year?
- Are grants and scholarships increased as costs go up?
- Does tuition go up every year? How much?



COMPARING OFFERS ACROSS SCHOOLS

COMPARE COST OF ATTENDANCE

Cost of Attendance	Bellevue College	UW	EWU	Whitworth
Tuition and fees	\$4,167	\$10,974	\$7,248	\$41,086
Books & Supplies	\$840	\$825	\$840	\$840
Transportation	\$1,140	\$414	\$900	\$1,152
Personal Expenses	\$2,310	\$2,265	\$1,800	\$2070
Room & Board	\$10,260	\$12,117	\$11,638	\$11,496
Total Cost of Attendance	\$18,717	\$26,426	\$22,426	\$56,664

*Assumptions: In-state resident, EFC for this student is 00000, full-time enrolled.

COMPARE FINANCIAL AID OFFERS

Gift Aid – funds that will be used to pay student's account balance first	Bellevue College	UW	EWU	Whitworth
Federal Pell Grant	\$5,920	\$5,920	\$5,920	\$5,920
Federal Supplemental Opportunities Grant (FSEOG)	\$500	\$1,000	\$1,000	\$2,000
State Grants	\$3,620	\$9,553	\$6,090	\$9,553
College grants/ Scholarships/ Waivers	\$2,677	\$4,000	\$2,000	\$12,000
Private Grants/ Scholarships	\$5,000	\$5,000	\$5,000	\$10,000
Total Gift Aid	\$18,717	\$25,474	\$20,010	\$39,473

COMPARE WORK STUDY

Work Study Earned money to pay towards COA	Bellevue College	UW	EWU	Whitworth
Work Study		\$1,000	\$1,000	\$3,000

Students who wish to take advantage of work study must understand that they are responsible for finding a work study position first before the award is earned.



- How does a student proceed with securing a work study award?
- How many hours a week would a student have to work to earn the work study award?

COMPARE LOANS OFFERED

Loans Federal and private loans student will have to repay	Bellevue College	UW	EWU	Whitworth
Federal Direct Subsidized Stafford Loan – 3.73%	-	\$0	\$1,416	\$3,500
Federal Perkins Loan – 5%	-	-	-	\$3000
Federal Direct Unsubsidized Loan – 3.73%	-	-	-	\$2000
Federal Parent PLUS loan* - 6.28% Credit-based, parents must qualify	-	-	-	\$0
Total Loans	-	\$0	\$1,416	\$8,500

PLUS Loans: Parents considering a PLUS loan must also know that many schools will award to cover the family contribution. It is also credit based, so denials are possible. In addition, the loan cannot transfer to the student at graduation. As with an unsubsidized loan, interest begins to accrue immediately.

COMPARE COST TO STUDENT

	Bellevue College	UW	EWU	Whitworth
Cost of Attendance	\$18,717	\$26,595	\$22,462	\$56,664
EFC	0	0	0	0
Gift Aid (grants & scholarships)	\$18,717	\$25,474	\$20,010	\$39,473
Work Study	\$0	\$1,000	\$1,000	\$3,000
Loans	\$0	\$0	\$1,416	\$8,500
GAP between Cost and Aid (COA-AID)	\$0	\$122	\$0	\$5,691
Annual Out of Pocket Cost (EFC+ Work Study + Loans + Gap)	\$0	\$1,122	\$2,416	\$17,191
Estimated Total Loan Amount over FOUR years (doesn't include fees or interest)	\$0	\$0	\$5,664	\$34,000
Out of Pocket Cost over FOUR years (EFC + Total Loans + Work Study + GAP) x 4	\$0	\$4,488	\$9,664	\$68,764

WILL THERE BE A REFUND? WILL IT BE ENOUGH?

	Bellevue College	UW	EWU	Whitworth
Direct Costs (Tuition + Fees, Room + Board <i>(if living on-campus)</i>)	\$4,356	\$21,920	\$18,871	\$55,221
Gift Aid (grants & scholarships)	\$18,717	\$25,474	\$20,010	\$39,473
Refund (Direct Cost – Gift Aid)	\$14,361	\$3,554	\$1,139	\$ (15,748)
Indirect Costs (Books, Transportation, Personal Expenses, Rent/groceries <i>(if living off campus)</i>)	\$14,361	\$4,676	\$3,600	\$4,272
Shortage (Indirect Costs – Refund)	\$0	\$1,112	\$2,461	\$20,020
How do I pay? Work study, loans, private scholarships, savings	N/A	Work Study (\$1000)	Work Study + Loans (\$2,461)	Work Study + Loans (\$11,500)
GAP	\$0	\$122	\$0	\$8,520

CALCULATE LOAN REPAYMENT

Principal Amount of Loan	38000
Number of Monthly Payments	120
Simple Interest Rate	5
<input type="button" value="Reset"/> <input type="button" value="Compute Payment and Cost"/>	
Your Monthly Payment Will Be	403.04
Your Total Interest Cost Will Be	10365.87
Minimum annual salary to handle these payments:	60457.00

MAPPING YOUR FUTURE.

LOANS

- What kinds of loans did the school offer?
- How much are you willing to borrow?
- What are the interest rates, terms and conditions?
- What will overall debt look like 4, 5, 6 years down the road?

Average Starting Salary for Recent **College Grads** Hovers Near \$51,000. Recent **college graduates** in the U.S. earned an overall **average starting salary** of \$50,944, according to the Summer 2019 **Salary** Survey report by the nonprofit National Association of **Colleges** and Employers (NACE).
Aug 22, 2019



WHAT HAPPENS IF I CANNOT AFFORD THE COSTS OF MY SCHOOL?

Find more Aid!

- Appeal financial aid packages with your school
- Special circumstances appeal/professional judgement appeal
- Competitive Appeal

Look for Additional Scholarships

- www.washboard.org
- www.fastweb.org
- www.scholarships.com
- www.finaid.org
- www.studentaid.org

Reduce Costs

- Assess the need to live on-campus – consider commuting
- Or sharing housing with other students
- Work a part-time job
- Avoid bringing cars to school, if possible
- Take CLEP tests (in moderation)

WHAT HAPPENS IF I CANNOT AFFORD THE COSTS OF MY SCHOOL?

Change Your Plan

- Consider a less expensive school or one that is more affordable
- Consider two years at the community college and then transfer – there are still a lot of great scholarship opportunities for transfer students!

KNOW WHEN, HOW AND UNDER WHAT CIRCUMSTANCES TO CONSIDER A PROFESSIONAL JUDGMENT REVIEW OR SPECIAL CIRCUMSTANCES APPEAL

Income-
related

Goal is to get your **EFC reduced** so that you may qualify for additional need-based aid and reduce the family's financial contribution

Expenses-
related

Goal is to get your **COA increased** by adding expenses not included in your budget and to make room for additional financial aid

EXCELLENT ONLINE TOOL TO PREPARE YOUR SPECIAL CIRCUMSTANCES APPEAL

SWIFT STUDENT FROM FORMSWIFT

FormSwift

WHAT'S AN APPEAL? START MY APPEAL FAQs ABOUT US

How can I request a change to my college financial aid package?

Home • SwiftStudent

SwiftStudent will help you write a financial aid appeal letter - for **free**.

- Am I eligible?
- What documents do I need?
- How do I write an appeal letter?
- How do I submit my letter to the financial aid office?

Visit: <https://formswift.com/swift-student#>

GOOD COMPARISON TOOLS:

Award Letter Comparison Tool -

<http://www.finaid.org/calculators/awardletter.phtml>

Advanced Award Letter Comparison Tool -

<http://www.finaid.org/calculators/awardletteradvanced.phtml>

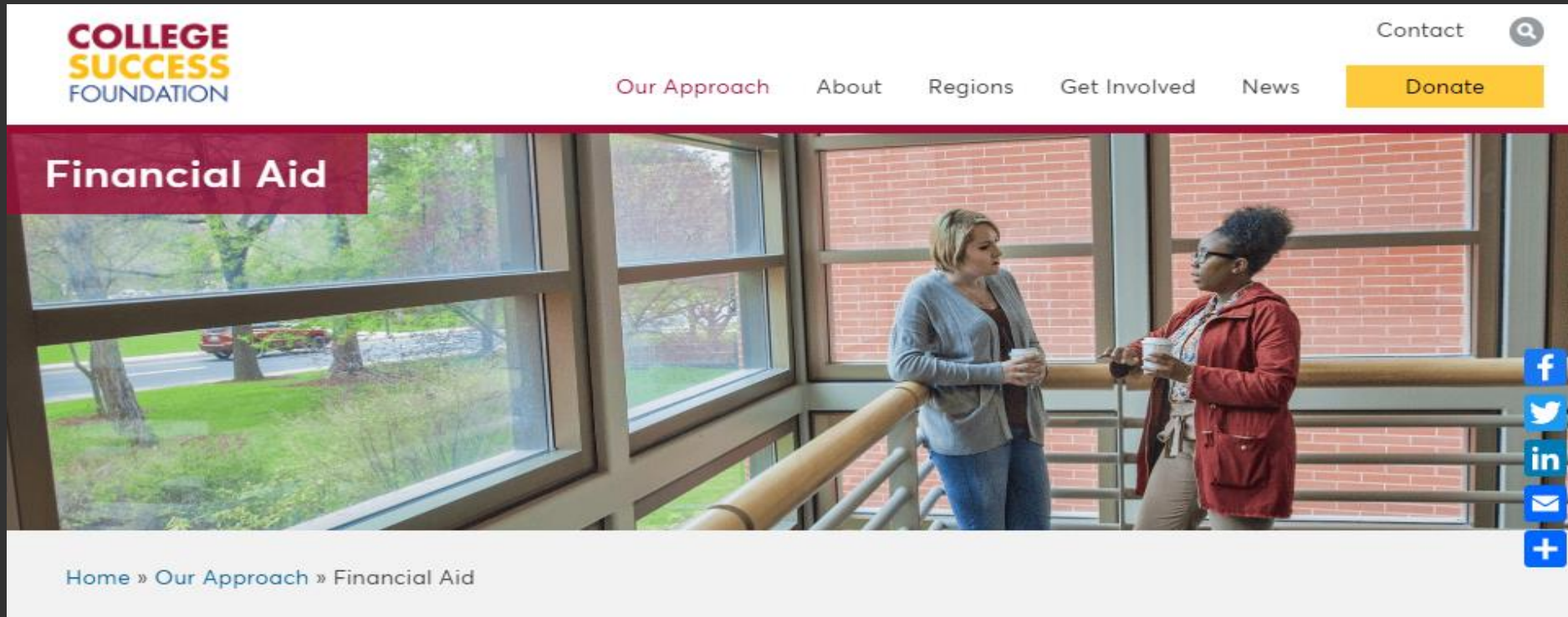
College Navigator - <http://nces.ed.gov/collegenavigator>

Student Loan Repayment Calculator -

<http://www.mappingyourfuture.org/paying/standardcalculator.cfm>

College Scorecard - <https://collegescorecard.ed.gov/>

DON'T FORGET! FINANCIAL AID HUB



We have tons of resources in our financial aid hub:

1. Recorded presentations
2. PowerPoints
3. Handouts & tools

<https://www.collegesuccessfoundation.org/our-approach/financial-aid/>

QUESTIONS? COMMENTS? HELP?



scholarshipservices@collegesuccessfoundation.org