

Advice for Applying for College Financial Aid

By Diane Schaefer

Editor's Note: Diane Schaefer is an educational consultant, who made an extremely informative presentation to us last month on "Maximizing Financial Aid for College." She will speak to us again in spring on the topic of college admissions, repeating the well-received talk she gave for us last April. Diane has graciously agreed to write a regular column for us this year on a variety of topics related to college admissions.

It's that time of year when students are applying to colleges, hustling to get their applications turned in, the test scores and transcripts ordered, and to talk with teachers and counselors about that last letter of recommendation. In the flurry to meet application deadlines, families need to not lose sight of the process to apply for financial aid. It is not too early to begin lining up your tax returns and finding all of the appropriate forms. Here are some tips to help you with that process.

Two Methodologies

First of all, financially speaking, families will be divided into two basic groups: those with need and those without. Being in the "need" group means you will qualify for financial aid, assessed from the results of the financial aid forms, CSS Profile and/or FAFSA. Most private colleges use the CSS Profile form. This form delves deeper into the family's overall financial health, assesses the ability to pay and to borrow by asking questions about assets, investments and equity. This method of assessing a family's financial position is known as the Institutional Methodology. The CSS Profile can be found at www.collegeboard.com, where you can complete the form online. This method requires fees to process the information.

The second method used for applying for aid is offered from the federal government and is free. The Federal Methodology qualifies students for money coming from federal loan and grant programs, or the most needy. The FAFSA form can be found and filled out at www.fafsa.ed.gov. All colleges will first expect a family asking for financial aid to try to qualify for monies available from the federal programs before filling their need with collegiate aid.

There are many new changes to the formulas used to assess financial need as well as to how much money a student can maximize. Many of the federal programs have seen increases to the limits for this year's class in both grants and loans. There are several new federal grant programs rewarding those that come from academically challenging programs, and those studying technological fields of study or graduate students. Check these out through the government's website, www.ed.gov.

Early Estimator Forms

If you do not know how your financial picture will be categorized, need or non-need, you may first do an estimate using the early estimator forms located on the college websites under financial aid. These estimators are helpful especially for early candidates and will help you get an idea about the costs and awarding there. It is important to do estimators when needing any financial aid and doing early decision, as it is a binding decision if accepted. Sending in a financial estimator along with your early decision will help clarify the cost of attending and awarding.

Timeline

Next, develop a timeline to stay organized throughout the process for each college to which you are applying. On that include the type of forms used (there can be as many as three per college) and by when. The CSS Profile's deadline is earlier than the FAFSA, so this form is usually requested before January 15th. Most colleges have a priority deadline for filing and these are soon after the first of the year. Plan to file your taxes as early as possible in the year, and if you absolutely cannot, then complete the forms with estimates and update them later with verified information. You are holding a place in line, and those that come in at the end of that line will find the funding and award packages less appealing. Your filed tax return is the verifying record and will be used to justify your answers and numbers.

Unusual Circumstances

Families with unusual circumstances should contact the financial aid office of each college directly, inquiring how and what information is needed to consider these factors in assessing the family's picture. Unusual circumstances include anything that has or will occur to change the considered financial picture for the family during the school year(s), such as loss of work, disability, medical expenses, secondary school tuition and caring for an elderly parent. Financial Aid administrators are able to make

adjustments to the awards by considering this information. Be prepared to validate all information with documentation.

Targeting Colleges

Not all schools award merit to top students, so do your homework by looking for ones that are still climbing the rankings wall, trying to improve the quality of their class by luring strong students with merit awards to them. To increase the amounts of merit money-scholarships (non-need based) or merit grants(need-based), try to apply to schools where you are statistically falling into the top 25% or better of the incoming class. Lastly, cover the bases, and include about 7-10 schools on your list representing both the private and public sectors. Many state universities award merit, even to out-of-state residents, in order to keep pace with their private competitors. Be sure to have at least one financial safety school, a school that will definitely offer admission and that you can afford no matter what the outcome.

Follow Up

After submitting the forms, it is important to follow up on the processing by checking with each college. Be sure all forms are correct and have arrived, as mistakes will delay the processing. After processing, usually by April, each college will send a financial award letter that distributes the aid from federal, state and collegiate resources. The award will include loans and work-study. Compare awards and respond to all schools, either accepting or refusing the award. Take care to understand all parts of the offered awards. Some schools will “gap” a financial award even when the family qualifies through the methodology for more money. These gaps are often filled with the offers of private loans. Beware of independent consumer loans, where there are no caps and have variable interest rates. These can pile on staggering debts for young adults to pay after college is completed. Whenever possible try to use other methods to close the gap.

Diane Schaefer, MA, LPC, is a licensed professional counselor who works independently as an educational consultant for families and students as they make their way through the college admission process. She has assisted hundreds of families with successful results with her process. Ms. Schaefer may be reached at (720) 291-5915.