



College Connections

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Financial Aid: Myths and Misconceptions

Many students and their families have misconceptions about financial aid. Here are a few of the most common myths and mistakes:

- **MYTH: Only "A" students or star athletes or exceptionally talented students get financial aid.** Gifted students may have better chances for merit or academic scholarships, but most financial aid is based on need. Students receive it because they need that money to pay for college. More than 8 out of every 10 college students receive financial assistance.
- **MYTH: Filling out the FAFSA is too hard and a waste of time.** Filing the FAFSA is the *only* way to determine a student's eligibility for federal and state grants, work-study programs, low-interest federal loans, and some other types of aid. It is recommended that students complete it online at www.fafsa.ed.gov. Detailed instructions will guide applicants through each step. Students who want to get an early start on the FAFSA can go to the FAFSA4caster (www.fafsa4caster.ed.gov/F4CApp/index/index.jsf), which offers a broad, general estimate of potential financial aid, information about the financial aid process, and allows transfer of all FAFSA4caster data to the actual FAFSA when students and families are ready to fill it out. Both the FAFSA and the FAFSA4caster are available in English and Spanish.
- **MYTH: There isn't enough financial aid for everybody who needs it.** There is money available; in fact, the amount of federal aid available to students has been increasing in recent years, while states and colleges also are important sources of additional grants and scholarships. Remember that loans are a form of financial aid. Always look to federal and state loan programs first as they typically have lower or subsidized interest rates. Students and families should also make sure to file the FAFSA and submit financial aid information *as soon as possible after January 1* preceding the student's first year at college, even if it means estimating income tax. You can and will need to update that information later. Colleges and universities have their own deadlines, some as early as February 1, for filing financial aid forms, and missing them *can mean missing out* on money for college. You must re-file for aid every year.

- **MYTH: Most students don't get scholarships.** Actually, many scholarships go unclaimed every year because there aren't enough applicants. Know that you can search for scholarships *for free*. Use the reference section of a library, try your high school or college guidance office, or begin a search online at the federal government's Financial Aid and Scholarship Wizard (<http://www.FederalStudentAid.ed.gov/scholarship>), the College Board's site (http://apps.collegeboard.com/cbsearch_ss/welcome.jsp), FastWeb! (<http://www.fastweb.com>), or Scholarships.com (<http://www.scholarships.com>).
- **MYTH: Students and their families can save too much or make too much to get financial aid.** Income and assets are a consideration, but so is the cost of the college or university; students who might not get need-based aid at a modestly-priced state college may be eligible if they attend more expensive colleges and universities. The size of the family also matters; if more than one child is in college, each sibling may be eligible for more aid. The federal formula used for determining the Estimated Family Contribution provides allowances for savings and other assets. The only way for students to find out what aid they are eligible for is to apply for it.
- **MYTH: Private colleges are too expensive and are out of reach for most students.** When applying to colleges, students should always first consider those that seem the best fit for them. Be aware that most college students don't pay the full "sticker price" for their education. Depending on various factors – the cost of the college, the size of the student's family, the college's desire to attract and enroll a diverse student body from all income levels – the cost of a private college or university may end up being less than the expense of a comparable public institution. Always keep in mind that stated costs can be deceiving, and students may be eligible for more aid than they realize.

Sources: "Financial Aid FAQs," <http://www.collegeboard.com/parents/pay/scholarships-aid/21395.html>; Lynn O'Shaughnessy, "& Myths About Financial Aid," <http://moneywatch.bnet.com/saving-money/article/financial-aid-7-big-myths/399243>; "Student Financial Aid: Financial Aid Myths," http://www.collegeanswer.com/paying/content/pay_aid_myths.jsp; "Myths about Financial Aid," <http://studentaid.ed.gov/students/attachments/sitesources/Myths.pdf>; Jennifer Gross, "Focus on Financial Aid: Myths and Misconceptions," <http://www.nacacnet.org/PublicationsResources/steps/Articles/Pages/FinAidMyths.aspx>; "Ten Things Financial Aid Offices Won't Say," <http://www.smartmoney.com/spending/tip-offs/10-things-college-financial-aid-offices-wont-tell-you-15281/>; Affording College: 2009-2010, <http://www.nycolleges.org/pdfs/AffordingCollege2009.pdf>.

Scholarships Scams: What to Watch For

Students and their families should always explore the many **free resources** available for scholarship searches **before** paying someone else to conduct one. There are legitimate companies that offer lists of scholarships for a fee; other services may charge to compare a student's profile to a database to find awards for which the student qualifies. But legitimate businesses will *never* promise or guarantee scholarships and grants.

Watch out for anyone saying that a student has won or been selected for a scholarship offered by a "national foundation" that you know nothing about, or is a finalist for a scholarship in a contest she never entered. This is often a prelude to asking for an up-front fee or even a checking account or debit card number to "confirm" eligibility. Also beware of the following claims:

- ⇒ "This scholarship is guaranteed or your money back."
- ⇒ "You can't get this information anywhere else."
- ⇒ "I just need your credit card number or bank account number to hold this scholarship."
- ⇒ "You don't have to search – we'll do all the work."
- ⇒ "The scholarship will cost you some money."

Don't spend hard-earned money for information that can be acquired for free. Students can begin a free search for scholarships online at the federal government's Financial Aid and Scholarship Wizard (<http://www.FederalStudentAid.ed.gov/scholarship>), the College Board's Scholarship Search page (http://apps.collegeboard.com/cbsearch_ss/welcome.jsp) or at Scholarships.com (www.scholarships.com), to name only two informative and reputable sites. Learn more about paying for college in the cicu publication *Affording College*, downloadable at www.nycolleges.org/pdfs/AffordingCollege2010.pdf. Check out resources at the local library or in a school counselor's office. Look for announcements of free financial aid nights at schools or local colleges and go to college fairs, where there are likely to be opportunities to speak with financial aid professionals.

For more ideas about where to find free information on student aid and tips on student aid scams, visit "Looking for Student Aid Without Getting Scammed" at www.FederalStudentAid.ed.gov/LSA.

Source: Federal Trade Commission, FTC Consumer Alert: Scholarship Scams, www.ftc.gov/bcp/edu/microsites/scholarship/index.shtml.

Filing the FAFSA

- Filing the FAFSA – the **Free** Application for Student Aid – is the **only** way to determine a student's eligibility for federal grants, state grants, work-study programs, low-interest federal loans, and many other types of financial aid. Every college-bound student should file a FAFSA, and filing one costs nothing; beware of anyone charging a "fee" for filing or completing this **free** application.
- Students and their families will find links to instructions for filing the FAFSA, completing the FAFSA, and a FAFSA Demo Site where applicants can practice filling out the FAFSA at these Federal Student Aid portals:
<http://studentaid.ed.gov/PORTALSWebApp/students/english/toolsandresources.jsp> (English)
<http://studentaid.ed.gov/PORTALSWebApp/students/spanish/toolsandresources.jsp> (Spanish)
- The site www.fafsa.ed.gov, has information to help fill out the forms, plus a practice FAFSA on the Web worksheet, and links to apply for a PIN, which will be needed to sign the FAFSA electronically and to gain access to personal information on Federal Student Aid sites. It is recommended that all students file the FAFSA electronically, which is faster than mailing a paper copy.
- The FAFSA4caster at www.fafsa4caster.ed.gov/F4CApp/index/index.jsf is a valuable tool for learning about the FAFSA and offering an early estimate of the student's eligibility for federal student aid, as well as finding information on how to search for scholarships, what types of federal student aid programs are available, and a glossary of financial aid terms.

More information about the FAFSA and financial aid can be found here:

- Affording College 2010-11* (www.nycolleges.org/pdfs/AffordingCollege2010.pdf) (in English and in Spanish)
- Student Financial Aid* (www.collegeanswer.com/paying/content/pay_aid_fafsa.jsp)
- FinAid! Financial Aid Applications* (www.finaid.org/fafsa/)
- How to Complete the FAFSA* (www.collegeboard.com/student/pay/scholarships-and-aid/8341.html)

Information You Need to Complete the FAFSA

Here's a checklist!


You should have the following information and documents with you as you fill out the Free Application for Federal Student Aid (FAFSA):

- Your Social Security number
- Your parents' Social Security numbers if you are providing parental information*
- Your driver's license number if you have one
- Your Alien Registration Number if you are not a U.S. citizen
- Federal tax information or tax returns including IRS W-2 information, for yourself and spouse, if you are married, and for your parents if you are providing parental information
- If you have not filed an income tax return, complete and submit the FAFSA using estimated tax information
- Use income records for the year prior to the academic year for which you are applying; for instance, if you are filling out the 2011-12 FAFSA, you will need 2010 tax information

**Not sure whether you will need to put your parents' information on the FAFSA? Check out "Am I Dependent or Independent?" at www.FederalStudentAid.ed.gov/pubs or call 1-800-4-FED-AID.*

Download this fact sheet at www.FederalStudentAid.ed.gov/pubs

December Tasks for High School Seniors

- Sign up for a PIN to complete your FAFSA online. Let your parents know that they will also need a PIN. Go to: www.pin.ed.gov 
- Finalize your admission applications. Watch the deadlines!
- Check with all the colleges to which you are applying to determine if there are other financial aid forms you must complete to qualify for all types of aid.
- Complete your FAFSA as soon as possible after January 1. Estimate your income if you have not yet completed your tax returns. Keep a copy of all the forms you file. Watch your deadlines!
- Research and apply for other financial aid, including grants and scholarships. You can start a search at mappingyourfuture.org/

7 Steps to Federal Student Aid

- Get free information and help from your school counselor, the financial aid office at the college or career school you plan to attend, or the U.S. Department of Education at www.FederalStudentAid.ed.gov or 1-800-4-FED-AID (1-800-433-3243). Free help is available any time during the application process. You should never have to pay for help.
- Get a Federal Student Aid PIN, a personal identification number. A PIN lets you apply, "sign" your online Free Application for Federal Student Aid (FAFSASM), make corrections to your application information and more — so keep it safe. Go to www.pin.ed.gov to get a PIN.
- Collect the documents needed to apply, including income tax returns and W-2 forms (and other records of income). A full list of what you need is at left or go to www.fafsa.ed.gov. Tax return not completed at the time you apply? Estimate the tax information, apply, and correct information later.
- Complete the FAFSA between Jan. 1, 2011, and Jun. 30, 2012 (no exceptions to either date!). **BUT, apply as soon as possible after January 1** to meet college and state aid deadlines and not lose out on aid (see note at bottom). Apply online at *FAFSA on the Web* (the faster and easier way) by going to www.fafsa.ed.gov. If you don't already have your PIN, you can get it when you complete the online FAFSA.
- The U.S. Department of Education will send you your Student Aid Report (SAR) - the result of your FAFSA. Review your SAR and, if necessary, make changes or corrections and submit your SAR for reprocessing. Your complete, correct SAR will contain your Expected Family Contribution (EFC) – the number used to determine your federal student aid eligibility.
- The college that you plan to attend might request additional information from you. Be sure to respond by any deadlines, or you might not receive federal student aid or aid from the college.
- All applicants:** The college will tell you how much aid you can get at that school. Contact the financial aid office if you have any questions about the aid being offered.
First-time applicants: Review award letters from schools to compare amounts and types of aid being offered. Decide which school to attend based on a combination of (a) how well the school suits your needs and (b) its affordability after all aid is taken into account.

NOTE: Be sure to apply for aid from your state government, your college, or a private scholarship. Research non-federal aid early (ideally, start in the spring of your junior year of high school). *Adapted from Steps to Federal Student Aid worksheet.* Download this fact sheet at www.FederalStudentAid.ed.gov/pubs