



College Connections

clicu

Student Financial Aid Awareness Month



New York State Higher Education Services Corporation (NYSHESC) has designated January 25—February 25 as Student Financial Aid Awareness Month. During the month, a campaign entitled “Start Here, Get There” aims to increase New York’s college and college-bound students’ (and their families) awareness of the availability of college financial aid and encourage their completion of the Free Application for Federal Student Aid (FAFSA). For more information on completing the FAFSA, and other important resources for college-bound students, visit StartHereGetThere.org

Financial Aid News

Apply for Aid: New York State students attending college in the state may be eligible for state-funded financial aid programs such as the Tuition Assistance Program (TAP) and Direct Institutional “Bundy” Aid. For information about TAP and other NYS grants and scholarships visit www.hesc.com. Other programs funded by the state include the Higher Education Opportunity Program (HEOP), the Science and Technology Entry Programs (STEP/C-STEP), and Liberty Partnerships. For more information about these programs, visit: www.hicghered.nysed.gov/kiap/coldev/.

Funding Concerns: As of release of this newsletter (January 2011), the three-year New York State Budget shortfall is predicted to reach \$37.2 billion. Obviously, this puts added pressure on funding for all parts of the State Budget, including state-funded student financial aid. For more information about the developing State Budget and student aid funding, visit the New York Student Aid Alliance at: <http://nystudentaidalliance.org/>

Resources: Scholarship Search

College Board Scholarship Search

http://apps.collegeboard.com/cbsearch_ss/welcome.jsp

College Preparation Checklist

www.studentaid.ed.gov/cdl/prepare

Congressional Hispanic Caucus Institute (CHCI) Scholarships

www.chci.org/scholarships/

FastWeb!

www.fastweb.com/

Federal Student Aid: Grants

<http://studentaid.ed.gov/PORTALSWebApp/p/students/english/grants.jsp>
<http://studentaid.ed.gov/PORTALSWebApp/p/students/spanish/grants.jsp>

FinAid!

www.finaid.org

The Gates Millennium Scholars

www.gmstp.org

Hispanic College Fund

www.hispanicfund.org/

The Jackie Robinson Foundation

www.jackierobinson.org

New York State Higher Education Services Corporation

www.hesc.com/
www.hesc.com/content.nsf/SFC/Paying_for_College

QuestBridge

www.questbridge.org/

The Sallie Mae Fund: Search for Scholarships

www.thesalliemae fund.org/smfnew/sections/search.html

Scholarships.com

www.scholarships.com/

UNCF (United Negro College Fund)

www.uncf.org/
www.uncf.org/forstudents/scholarship.asp

Steps to College in Challenging Times

- **Explore the costs of the colleges as early in the college search process as possible.** Have at least a rough idea of how much you can afford and how much financial aid you would need to attend.
- **Consider all sources of financial aid, including loans.** Eligible students will not be turned away from federal loans, which are preferable to private (alternative) loans because of their lower fixed interest rates and varied repayment options.
- **Apply early for federal work-study jobs, as they fill up fast.** Students can earn needed money during the 10-15 hours a week allowed in federal work-study programs.
- **Do not decide which colleges to apply to based solely on how much they cost.** Depending on how much financial aid you are eligible for, a seemingly expensive college may be less expensive than you realize. Look for colleges with affordability programs and price and cost initiatives. For more information visit www.naicu.edu/special_initiatives/Affordability/.
- **Contact the financial aid office.** If your family's financial situation has changed (unemployment, divorce, etc.), financial aid officers may be able to make adjustments to financial aid awards. Make sure that you can document any changes.
- **File the FAFSA as soon as possible after January 1st.** This may require families who haven't yet filed a tax return to estimate their tax liability.
- **Meet the application deadlines.**

Sources: "Looking Ahead: Student Debt and the College Admission Process," www.naacnet.org/Publications/Resources/Steps/Articles/Pages/StudentDebt.aspx
"Paying for College During Hard Economic Times," www.naacnet.org/Publications/Resources/Steps/Articles/Pages/PayingCollegeHardEconomicTimes.aspx
"Paying for College During Hard Times," www.cnbc.com/id/30244771/Paying_for_College_During_Hard_Times

Liberal Arts Training: Solid Career Preparation

What is a liberal arts major?

“Liberal arts” is one of those flexible terms that typically includes study in a range of areas. The focus of liberal arts coursework may be in such areas as history, English, anthropology, foreign languages, philosophy, international relations. It may include mathematics, basic sciences, and sometimes, economics. Or, liberal arts study may focus more on the social sciences and humanities. Programs in the liberal arts develop a range of skills and the formation of versatile graduates, allowing students to be prepared for a wide array of occupations or easily continue their studies to more specific, specialized degrees. A bachelor's of arts degree, for instance, is the traditional requirement for entry to graduate study in law, business and other specialized fields.

In a recent National Association of Colleges and Employers survey the most important skill employers are looking for in their job applicants is the ability to communicate effectively; also important is “a strong work ethic, teamwork, initiative, interpersonal skills, and problem-solving and analytical abilities” – all skills developed in the coursework required for a liberal arts degree (*Winter 2007-08 Occupational Outlook Quarterly*, p. 4).

Advice for Liberal Arts Majors:

How to prepare to stand out in a competitive job market

- Consider a minor or specialization in one or more technical or business subjects that interest you.
- Build relationships through internships and other experiences such as volunteer work, part-time and summer jobs.
- Join professional associations in the fields that interest you and network.

Source: *What can I do with my liberal arts degree?* *Winter 2007-08 Occupational Outlook Quarterly*, www.bls.gov/ocpub/ocq/2007/winter/art01.pdf

The American Opportunity Tax Credit for College (AOTC)

Any family with a child or children either in college or about to enter college should find out if they are eligible for the American Opportunity Tax Credit. Families can claim the AOTC for any child who is attending college at least half-time (up to \$2,500 for each child) to help cover college expenses such as tuition, fees, and textbooks. A married couple who files taxes jointly can earn up to \$160,000 annually in adjusted gross income and still qualify for the full credit of \$2,500; a single taxpayer with an adjusted gross income of \$80,000 is also eligible for the AOTC. Up to \$1,000 of this amount is also refundable which allows lower-income families who may not earn enough to pay federal income tax to take advantage of this credit.

On December 23, 2010, U.S. Senator Charles E. Schumer, who represents New York State, announced a major campaign to make all eligible families aware of

this tax credit since an analysis by the U.S. Treasury Department, released in October 2010, estimated that as many as 62 percent of potentially eligible American households, and as many as 57 percent in New York State, may have failed to claim this credit in 2009. Students and families who failed to claim the AOTC last year can still amend their 2009 tax returns to claim the credit.

More information about the AOTC can be found at: www.irs.gov/newsroom/article/0,,id=211309,00.html and <http://schumer.senate.gov/record.cfm?id=330208&>.

Sources: "White House Releases Report on American Opportunity Tax Credit," Education News.Org, www.educationnews.org/educationnewstoday/white-house-report-american-opportunity-tax-credit.html
Cathy Wodruff, "Don't overlook \$2,500 college tax credit," Albany Times Union, www.timesunion.com/default/article/Don-t-overlook-2-500-college-tax-credit-927322.php.

Financial Aid Glossary

Adapted from New York State Higher Education Services Corporation (NYSHES C) Marketplace, accessed October 22, 2010. www.hesc.com/Content.nsf/MarketPlace/Glossary_of_Terms_Marktplc

Award Letter: The official document issued by a college's financial aid office that defines the amount and type of financial aid awarded to the student and any conditions attached.

Borrower: The person who is primarily responsible for the obligation to repay borrowed funds. A signed promissory note serves as the formal, legal promise to repay.

Cost of Attendance (COA) (also referred to as Cost of Education): Total amount needed to cover college education expenses including tuition, fees, room, board, books, supplies and transportation for one academic year. When borrowing to pay for education, borrowers cannot borrow more than their cost of attendance. If any financial aid is received, the borrower cannot exceed the Cost of Attendance less Financial Aid (COA - Financial Aid = Maximum loan amount).

Default: Failure to repay a loan according to promissory note terms. Defaults are recorded on your credit record and have long-term adverse consequences such as: a default may be reported to national credit bureaus and recorded on the borrower's credit record; a default can affect the borrower's credit history resulting in higher future borrowing costs, or the inability to qualify for future loans; the borrower may be subject to legal action; an employer may withhold wages to pay the debt.

Education-Related Costs (or Expenses): Any cost associated with pursuing your education. Examples include tuition, room and board, rent, books, a computer, lab fees and transportation.

Electronic Signature (E-sign): An electronic method of signing loan documents that identifies an applicant and indicates the applicant's approval of the information contained in the documents. Electronic signature on a contract has the same legal validity as a pen-and-paper signature ("ink signed").

Eligible School: An institution of higher education declared eligible by the United States Department of Education to offer financial aid.

Enrollment Status: A student's standing as a full-time or part-time undergraduate, graduate, or professional student, whether or not he or she is seeking a degree.

The number of credits required to obtain half-time and full-time status is determined by the school. This is important for determining eligibility and award amounts for several types of federal and state aid.

Expected Family Contribution: The Expected Family Contribution is calculated by the government based on information provided on your FAFSA. Colleges use the EFC to determine a student's financial need and subsequently what federal aid to offer in the financial aid package.

Federal Pell Grant: A need-based grant offered to students by the federal government. The amount awarded is based on the total cost of education, Expected Family Contribution and a student's enrollment status.

Federal Loan: An education loan guaranteed against default by the U.S. government. These are generally the lowest cost loans available and should be considered before applying for an alternative loan.

Financial Aid: Scholarships, grants, work-study, and loans available to the student from the school, state, or federal government.

Financial Aid Package: The total amount of financial assistance a student receives from a school to pay for education-related expenses. The package, outlined in the award letter, can include grants, scholarships, federal loans, and/or work-study.

Free Application for Federal Student Aid (FAFSA): The form that colleges use to determine financial aid eligibility for federal programs. The FAFSA is available online and in paper form. It is free to file. Learn more at FAFSA.ed.gov.

Gap: The total unmet education-related costs calculated by subtracting the financial aid accepted from the total cost of attendance.

Gift Aid: Financial aid not requiring repayment (e.g., scholarships and grants).

Grant: A form of financial aid that does not need to be repaid (also referred to as a scholarship).

Gross Income: Income before taxes and deductions.

Housing Expense: Rent, dormitory costs, or mortgage payments.

Interest/Interest Rate: The fee charged to borrow money. Interest is calculated as a percentage of the principal amount owed. Loans may have a fixed interest

rate (rate stays constant for the life of the loan) or a variable rate (rate moves up and down based on changes to an underlying interest rate index).

Loan: A sum of money borrowed. The entity lending the money usually charges interest for use of the money. The amount of money borrowed is typically repaid with interest over a period of time. The "loan amount" may also include fees and late charges that are incurred.

NYS Net-Taxable Income (NTI): Includes wages, interest, dividends and other forms of taxable income after all appropriate deductions and exemptions have been taken into consideration. Income from state, federal and local government pensions must be included when reporting income for State aid.

Origination Fee: A processing fee calculated as a percentage of principal payable by the borrower and deducted from the loan upon each disbursement.

PLUS Loan (PLUS for parents of undergraduate students; also PLUS for graduate students): Funds borrowed by parents to help cover the cost of their dependent child's undergraduate education. Parents can borrow up to the total cost of education minus any financial aid accepted. Graduate students can borrow PLUS loans to cover their own education-related expenses.

Private Student Loan (also referred to as an Alternative Loan): A credit-based consumer loan that can be used for education-related purposes, including books, tuition, room, board, and transportation. In general, private loans cover the total cost of education minus any financial aid accepted. Borrowers, cosigners, and/or sponsors must have an established credit history.

Promissory Note: The legal contract a borrower (and cosigner, if any) signs to obtain a loan. The note includes all the terms and conditions of the loan and the borrower's promise to repay the loan.

Sponsor: A creditworthy person who borrows a loan on behalf of a student.

Stafford Loan: A federal student loan offered by the government to students to pay for education-related expenses.

Student Loan: A loan used to pay for education-related expenses. There are 2 types of student loans: federal student loans and private (alternative) student loans.

© 2011 *College Connections* is published by the Commission on Independent Colleges and Universities (CICU) Outreach Programs

CICU is a statewide association representing 100+ independent (private, not-for-profit) colleges and universities in NYS. Its Outreach Programs has offered free admissions, financial aid and access resources for 30+ years.

Address: 17 Elk St., PO Box 7289, Albany, NY 12224 **Phone:** 518.436.4781. **Fax:** 518.433.8825. **Web:** www.nycolleges.org - Admission and financial aid information for students, families, and counselors. **www.cicu.org** - Higher education information for policymakers. **E-mail:** colleges@nycolleges.org