

Financial Aid 101: What You Need to Know

Steps for Applying for Financial Aid

1. Make a Financial Plan

Before your student applies to a college, estimate whether the net cost is within your family's budget.

To make a college budget, take the following steps:

- Review your savings and current income to determine how much you can contribute towards college.
- Discuss the amount your student and family are willing to borrow to help pay for college.
- Use the net price calculator for each school and compare your net price to your college budget to decide whether the school is affordable and if your student should apply.
- Don't rule out private schools that may offer substantial merit scholarships or need-based grants. Although tuition can be expensive, private schools may cover more of the cost with financial aid, making them affordable for families.
- Check out the resources and tools that [College Ave Student Loans](#) offers for families.

2. Fill Out the Financial Aid Applications

Fill out the FAFSA, CSS Profile, and/or institutional aid application. Each school has different deadlines and requirements regarding which forms need completed. Make sure you check with their financial aid office to determine what you need to submit.

Free Application for Federal Student Aid (FAFSA)

- You can apply on www.studentaid.gov. It opens on October 1 each year and you should complete it as early as possible.
- FAFSA is required by most colleges and universities.
- The application must be completed to receive federal aid (student loans, Pell grant, federal work study, Parent Plus loans) and often links to state grant applications.
- It's free to submit.

CSS Profile

- You can apply on cssprofile.org.
- The CSS Profile is not required by all colleges and universities (see list of schools [here](#)).
- Some schools may require both biological parents to submit separate CSS Profiles if they are divorced or separated.
- Only submit to schools your student is very interested in. There is a fee of \$25 to submit to one school and \$16 to each additional school, which can add up.
- Fee waivers are available for families with an adjusted gross income under \$100,000.

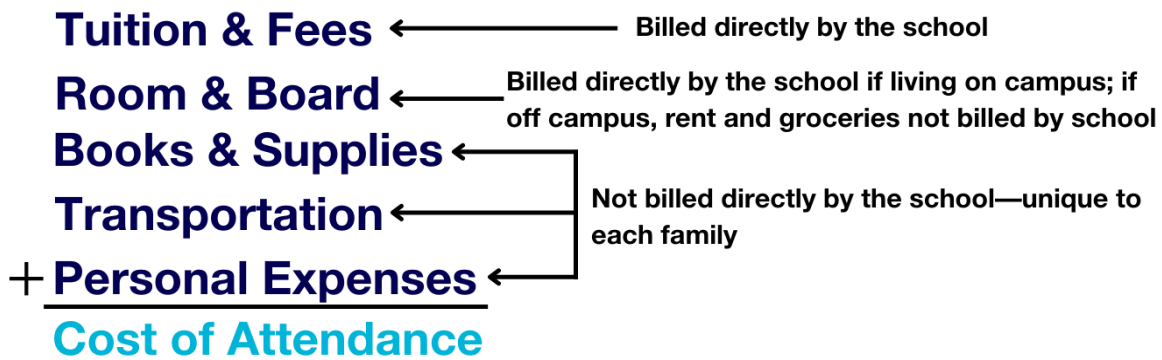
Institutional Applications

- Colleges and universities may have their own internal application for aid.
- Check with individual schools for requirements—they're usually free to complete.

Understanding Cost of Attendance (COA) and Financial Need

The cost of attendance is calculated by each school and includes both direct and indirect costs for each academic year.

Five Major Categories of COA



Calculation of Financial Need

Financial need is determined by each school by subtracting the calculated family contribution (as determined by the FAFSA, CSS Profile, and/or institutional aid application) from the total COA.

$$\begin{array}{r}
 \text{Cost of Attendance (COA)} \\
 - \text{Calculated Family Contribution} \\
 \hline
 \text{Financial Need*}
 \end{array}$$

***NOTE: Some schools (in particular, those with substantial institutional funds) will have two formulas: one for determining federal aid and one for determining institutional aid.**