

Financial Aid 101





Discussion Topics

- What Is Financial Aid?
- College Costs and Planning Tools
- Financial Aid Eligibility
- Types of Financial Aid
- Applying for Financial Aid
- Next Steps
- Tips for Students and Families

The information presented is based on current circumstances and is subject to change. Please refer to specific schools/institutions for additional information.



What Is Financial Aid?



Financial aid is funding from various sources used to pay college expenses.



What Is Financial Aid?

Financial aid IS NOT funding for:

- Credit cards
- Shopping
- Buying a car
- Partying
- Spring break/vacation



The Cost of Attendance Includes Direct and Indirect Costs

Direct Costs

- Paid DIRECTLY to the university and include:
 - Tuition & fees
 - Food & housing

Indirect Costs

- Paid to others, and can include:
 - Books, course materials, supplies, and equipment
 - Miscellaneous personal expenses
 - Transportation



U-M Cost of Attendance

	In-State	Out-of-State
Tuition & Fees**	\$ 17,736	\$ 60,946
Living Expenses‡	\$ 15,328	\$ 15,328
Books, Course Materials, Supplies & Equipment	\$ 1,158	\$ 1,158
Transportation	\$400	\$400
Misc. Personal	\$ 2,310	\$ 2,310
TOTAL	* \$ 36,932	* \$ 80,142

- * This is the maximum amount of financial aid you can receive.
- ** Tuition and fees listed are based on approved rates for the 2024-2025 academic year. Rates are approved each June by the U-M Board of Regents and estimated budgets are updated at that time. Tuition and fees may be higher or lower depending on a student's program of study; these estimated budgets use information from the College of Literature, Science and the Arts. Current tuition information is available through the Office of the Registrar.
- ‡ Based on the unlimited basic residential meal plan.





Planning tools

finaid.umich.edu/tools-resources/ planning-tools-calculators #comparing-financial-aid-offers



College Scorecard compares colleges from around the country

collegescorecard.ed.gov





Net Price Calculator

- A free, interactive tool that provides estimated net cost
- Uses institutional data
- Calculates individual situations
- npc.collegeboard.org/app/umich



Federal Student Aid Estimator

- Free federal tool
- Early estimate for federal student aid
- Offers options to pay for college
- studentaid.gov/aid-estimator/





Financial Aid Eligibility

What is the Student Aid Index (SAI)?

Formerly known as the Expected Family Contribution (EFC), the SAI is a number resulting from a student's and family's financial resources.

- Calculated using a federal formula with information from the FAFSA
- Parent contribution and student contribution
- Amount a family can reasonably expect to contribute
- The same at every institution



Financial Aid Eligibility

Calculating Financial Need

Cost of Attendance (Budget)		\$26,000
Student Aid Index (SAI)	-	\$ 4,000
Other Aid or Resources (such as private scholarships)	-	\$ 0
Your Need for Aid	=	\$22,000











Gift Aid

Scholarships

- May or may not be need-based
- Earned in some way: grades, skills, service, etc.
- Awarded by a variety of organizations
- May or may not require FAFSA and/or other applications

Grants

- Need-based
- Must complete FAFSA to apply
- May require other applications such as the CSS Profile or other institutional forms



Watch for scholarship scams

- Required application fees
- No contact telephone number
- Unsolicited opportunities
- Hype or pressure to participate
- Scholarship services that guarantee success
- Social Security number or banking information requested

More information:

studentaid.gov/resources/scams





Understand your scholarship

- One-time award vs. a renewable award
 - If renewable, are there requirements?
 - Minimum GPA requirement
 - Major specific
 - Requires full-time enrollment
- Tuition-specific scholarship
- What is the value of the scholarship?
 - Full ride vs. partial (will you have remaining costs?)



Go Blue Guarantee

- Free U-M tuition for four years
- Must qualify for in-state tuition and be earning first bachelor's degree
- Family income of \$75,000 or less and assets below \$75,000
- Must apply and be eligible for financial aid
- More information: goblueguarantee.umich.edu/ann-arbor
- Eligibility: <u>finaid.umich.edu/go-blue-guarantee-eligibility</u>





for families with incomes \$75,000 & under & assets below \$75,000

Tuition support for some families earning more

Four years for qualifying in-state students on the Ann Arbor campus





Self-Help Aid Work-Study

- Need-based
- Earn a paycheck for work
- Flexible work schedules
- Consider on or off-campus opportunities

Students who are not eligible for Work-Study may still apply for other jobs



Self-Help Aid Loans

- Borrowed Money
- Repayment begins after graduation
- Federal Loan eligibility for student borrowers is determined by completing the FAFSA
 - Federal Subsidized Direct Loans:
 - Need-based
 - Interest does not accrue until repayment begins
 - Federal Unsubsidized Direct Loans:
 - Non-Need-Based
 - Interest accrues when borrowing begins



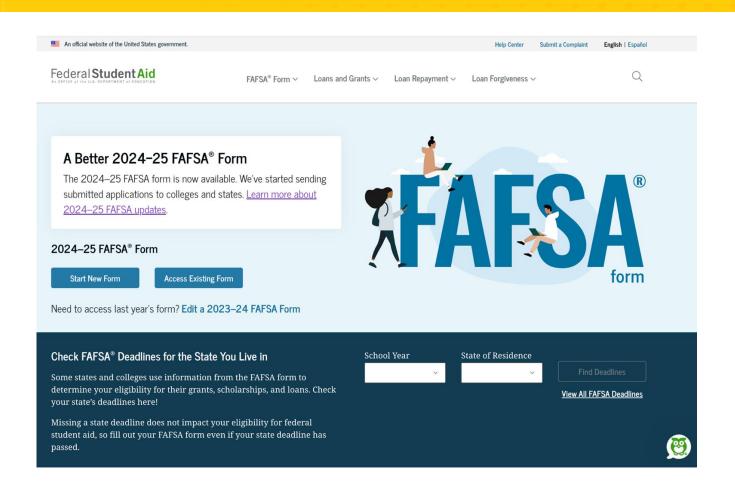


Applying for Financial Aid





Completing the FAFSA: Where



Complete the FAFSA

It's free, easy, fast, and more students qualify for Federal Student Aid than you may think.

http://studentaid.gov/h/apply-foraid/fafsa



Completing the FAFSA: When



FAFSA: studentaid.gov/h/apply-for-aid/fafsa

- Free application
- State, federal, and private financial aid resources



CSS Profile: cssprofile.org

- \$25 application fee
- Need-based U-M grants and scholarships
- FAFSA Typically, available October 1. 2025-2026 application expected on or before Dec.1
- CSS Profile Available October 1



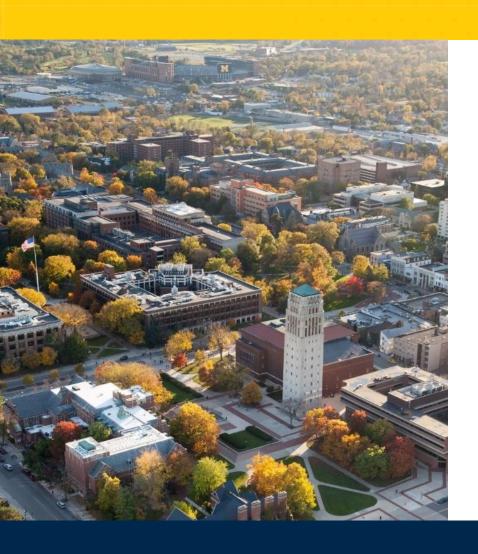
Completing the FAFSA: How

Important Documents and Steps

- Create your FSA ID in advance
- Have available:
 - 2023 Tax Return
 - Bank/asset statements
 - Child support information(paid or received)
 - Other untaxed income information
- Income data will be transferred using the IRS Direct Data Exchange on the FAFSA



Completing the FAFSA: Why



Why should you complete the FAFSA?

- Student Aid Index (SAI) determines your financial aid eligibility
- Gain access to multiple sources of aid
- List multiple schools on your application



Completing the FAFSA: What

FAFSA: What should I expect?

- Multiple sections are for student information
- Invite parents, also called FAFSA contributors, to add their information directly to the application
- "As of today" language





Completing the FAFSA: Who

Each Student

Parent data can be transferred for multiple children

FAFSA Contributor(s)

- Both parents (biological, step-parent, adoptive) if married
- Only one parent if single, divorced, or separated (the parent that provides the most financial support to the student)
- If both parents live in the same house and are not married both incomes go on FAFSA



Dependent vs. Independent

FAFSA: Dependent vs. Independent

- Dependent *most students
 - Parental information is required
- Independent
 - No parental information required if:
 - Married
 - At least 24 years old
 - At any time since you turned age 13, both your parents were deceased, you were in foster care, or you were a Ward of the Court/State
 - Have a dependent that you provide more than 50% support for
 - Homeless

(Sample of questions on the FAFSA that determine independent student status.)



Important Dates



When should you complete the FAFSA?

- FAFSA is an annual application. File it every year!
- Fill out the 2025-2026 FAFSA as soon as possible
- Check with each school for individual deadlines

U-M requires the FAFSA & the CSS Profile

- Suggested filing date Dec. 15
- U-M priority deadline March 31

The State of Michigan deadline is May 1.



Applying for Financial Aid

Frequent FAFSA Errors

- Incorrect school code If applying to U-M Ann Arbor, be sure to select UM-Ann Arbor school code: 002325
- Social Security numbers
- Divorced/remarried parental information
- Student/parent income
- Real estate & investment net worth
- Work-Study preferences



Next Steps

What's next?

- Make necessary FAFSA corrections
- Complete institutional forms
 - CSS Profile, if required
 - Scholarship applications
 - Verification
 - Submit requested documentation (Federal Tax Transcripts, W-2s,etc.)
 - Estimated Financial Aid Notices will be sent in early 2025
 - Based on initial calculated need
 - Not binding, simply an offer



Next Steps

Reporting Special Circumstances

- Special Circumstances cannot be reported on the FAFSA
- Change in employment, death, marital status, one-time significant benefit, large out-of-pocket medical expenses, etc.
- Send an explanation of special circumstance to each financial aid office
- All special circumstances will be reviewed, and a FINAL decision will be made*

If you have an unusual circumstance where parental data cannot be provided on the FAFSA, contact the Office of Financial Aid about your options.



^{*}The Department of Education does not consider appeals

Tips for Students and Families



- Consider payment plans
- Know before you Go Blue!
- Satisfactory Academic Progress
- Apply for scholarships every year
- Meet all deadlines
 - Check & respond to your email
 - Check & respond promptly to requests
- Problems/issues
 - Talk to the experts on campus



Thank You

Office of Financial Aid

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finaid.umich.edu

Outreach Unit

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