

## 5 Facts about Financial Aid

Fact 1 - Financial aid is intended to HELP you pay for college, not pay for it entirely for you. The federal government has determined that the individual attending college and their immediate family has a responsibility to pay for a portion of college expenses. The FAFSA (Free Application for Federal Student Aid) is the universally accepted form upon which you will be asked to give the financial and other information on yourself and your family. Based on all the information you provide, and EFC (Expected Family Contribution) is determined. Basically, the difference between the cost of attending a school and a student's EFC, is that student's financial need. In their financial aid award letter, schools try to come as close as possible to meeting that financial need.

Fact 2 &ndash; Need-based financial aid comes in three types; grants, work-study and loans. Grants are like scholarships in that they are free money given to you to pay for college, but unlike scholarships in that they are based on need, not merit. Work-study is student employment, either on-campus, community service, or related to your major, that is subsidized by the federal government. Loans, as you would expect, are money borrowed to pay for college. Loans come from numerous sources, have different repayment terms, and even different borrowers (some monies are loaned directly to the student, some to the parents). Although some students and their families don't consider loans to be financial aid, since they're not "free", that is exactly what they are. In fact, the vast majority of financial aid available for college students is made up of student loans and parent loans.

A detailed discussion of specific financial aid types and amounts is more appropriate once you receive your award letter(s). At that time, the best source of information is that school's Financial Aid Office.

Fact 3 - You can ask for special consideration of extenuating circumstances if you think the information you provided via the FAFSA doesn't appropriately reflect your situation. While it is common for many people to think their situation warrants special consideration, these instances usually involve a significant change in the financial picture of the student and family, and/or something that has changed since the FAFSA was submitted. There will be procedures and guidelines that will determine if anything about your financial aid award can be changed, and how much. If you feel your circumstances warrant special consideration, contact the financial aid office at the school(s) you are considering.

Fact 4 &ndash; You should plan to complete and submit the FAFSA as quickly after January 1 as possible. Because schools only receive so much of certain campus-based financial aid programs, they will run out of funds in these programs. Having your FAFSA submitted and your file complete as early as possible puts you in the best possible position to receive these awards &ndash; if you qualify. Also, file the FAFSA online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). It is processed faster and common errors are detected before the application is submitted to the processor.

Fact 5 - Financial aid is NOT intended to pay for car payments, credit card bills or large cell phone bills. Schools prepare a budget annually that takes into consideration what it costs to live and go to school for the 9 or 10 month academic year. Tuition, fees, room and board, travel and incidentals are averaged from a sampling of what students actually spend. Basically, you'll have enough money to live and go to school, and anything on top of that is your responsibility. Remember, you may not be able to maintain the same lifestyle you are accustomed to, living on financial aid.

Submit your questions to [lance@collegeanswerguy.com](mailto:lance@collegeanswerguy.com) and visit [www.collegeanswerguy.com](http://www.collegeanswerguy.com) and [www.collegeprep101.com](http://www.collegeprep101.com)