



IMPORTANT
FINANCIAL AID INFORMATION
FOR STUDENTS & PARENTS

ACADEMIC YEAR 2022-2023

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New-Service Training
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Preface

This document provides a concise overview of the college financial aid process to include discussing the different types of financial aid, how and when to apply, and some key resources you should use. It is also *very important* to understand the college process once your student gets there so that, as a parent, you can be aware of internal college standards and processes that are crucial to the success of your student.

Please remember that the college financial aid office is there to help you and your student navigate the process so do not hesitate to reach out to them.

Best wishes in the pursuit of your educational goals!

Types of Aid

Federal Aid: Apply beginning October 1 annually for the next academic year. www.fafsa.gov

Pell Grant: Largest federal need-based grant that does not need to be repaid. This grant is determined by the Free Application for Federal Student Aid (FAFSA). Need-based aid assesses the income of the parents and student, if the student is dependent* as well as other factors. The amount calculated is based on full or part time attendance and is portable (will be the same amount at any college or university)

Stafford Loan: The Government is the lender for federal student loans. Every student qualifies for a loan whether it be a *Subsidized* loan (Govt pays the interest while you are in school) or an *Unsubsidized* loan (you are responsible for the interest immediately although it can be deferred). The amount you are eligible to borrow will increase with year in school e.g. freshman amount is significantly less than a junior. You must be enrolled at least half time (6 credits) to receive a loan and must continue at least half time to not trigger repayment. Repayment begins 6 months after graduation, stopping college or dropping below half time.

Parent Loan for Undergraduate Student (PLUS): Taken out by the parent and eligibility is based on parent credit score. Not every parent qualifies.

Work-study: Additional funds earned in the form of a paycheck for specific jobs performed on or off campus. This aid is need-based. Funds are allocated to the institution to award. The student generally works no more than 10 hours per week.

***Dependency:** Any student under age 24 in an undergraduate program is considered dependent (parent and student income required on the FAFSA) unless the student is married, has a child where he or she is providing 51% of their support, was a veteran, was in foster care before their 18th birthday. Consult the FAFSA for the full definition of dependency.

Maryland State Aid: Most programs require the FAFSA and have a deadline of **March 1**. Some of the primary grants are listed below but consult the Maryland Higher Education Commission's Office of Student Financial Assistance website for a full listing of scholarship programs and their eligibility. www.mhec.state.md.us

Rawlings Educational Excellence Awards: Maryland's largest need-based grant requiring the FAFSA. Applicant must be a Maryland resident attending a Maryland college or university. The cost of the college you are attending is considered in the calculation for eligibility.

Senatorial & Delegate Scholarships: Offered by the State (not congressional) senator and /or delegates in your legislative district. Contact your county Board of Elections office for their names and contact information. Each representative may establish their own criteria but generally require the FAFSA.

NOTE: *These are the only scholarships from Maryland that can potentially be used to attend an out*

Financial Aid Information

Academic School Year 2022-2023

of state college if approved by the Maryland Higher Education Commission as a unique major. Contact MHEC for the approval process.

Other State programs include...

Career / Occupational Grants based on a specific career e.g. nursing, teaching. These awards have a service obligation to work in that career field in Maryland upon graduation. Failure to do so will result in requiring repayment of the grant with interest.

Unique Population Scholarships: Private Career / Trade school: these include specific trades (e.g. cosmetology, electronics repair). Tuition waivers may also be granted for certain eligible populations. See the MHEC website for a full listing.

NOTE: *List at least one Maryland college when you complete the FAFSA even though a Maryland school may not be your top choice. It will allow Maryland to consider you automatically for some aid by listing at least one Maryland school.*

Private Aid: Scholarships are available for a variety of local and national organizations. Use search engines to look for these opportunities based on career, interest of hobby.

www.fastweb.com

www.finaid.org

Institutional Aid: This is aid offered specifically from the college or university and can be used as a recruitment tool, offered by the alumni association or by a specific department. Check specifically with the college financial aid office and admissions office.



BEWARE OF FRAUDS AND SCAMS

No one can promise you a scholarship if you complete an application and pay a nominal fee. It is a SCAM!

Contact the college financial aid office, Maryland Higher Education Commission, or the US Department of Education if you suspect a scam or someone is committing fraud.

For Parents:

Understanding the Process & Timeline

It is important to understand not just the process but also the timeline for critical events prior to and at the beginning of a new semester. As a parent you are a support system for your college student who may not remember timeline and implications of their actions. This is a very exciting yet challenging time for a first time college student and the parent!

What should you do first?

Applying to colleges for acceptance should begin *late in the junior year of high school* as some colleges do early acceptance. It is important to submit original essays that they require that express understanding of that school's values as it relates to what you have accomplished. Using a "cookie cutter" essay is very easy to identify and may be the difference of being accepted or not at the school you prefer to attend. It is easy enough to edit an essay and add the key enhancements.

As early as October in the senior year you will file the Free Application for Federal Student Aid (FAFSA). This form is used at every college and university in the country. There is no magic number that says if your income is "X" you shouldn't bother to apply. This form is needed for student loans and many other types of aid from Maryland and other organizations. *Maryland requires this form be filed by March 1* annually although if you are attending out of state you can file the FAFSA year-round. Plus, you should continue doing searches for scholarships all year round to improve your aid package. College is not cheap so be diligent and resourceful.

Enrolling in classes

Most colleges will require an entry level reading and math assessment to ensure the student is enrolled in the appropriate level classes and ensure success. Many times a student may not be as prepared as they think they are and they may need refresher or preparatory math or reading/writing classes as part of their freshmen year. It is not uncommon especially for those students who start at a community college to take refresher classes although they were a high school graduate. It is recommended to follow a college academic advisor's recommendations and not try to venture out on your own.

What Happens when you are ready to enroll?

The cliché is true that the early bird gets the worm meaning the earlier you register once the college classes schedule is published the better chance you have of getting the class you want with the timeslot and instructor you want. But, once you have registered you will be expected to pay for the classes up front. If you have financial aid in the form of a scholarship or loan you will have to show your accepted award letter to the Bursar (or college billing office). Any gap in what you have versus what you owe is your obligation to pay by their deadline. Failure to do so will result in your classes being

Financial Aid Information

Academic School Year 2022-2023

canceled and you will have to re-enroll again. But guess what?? The cases you wanted at the time slot you wanted may be full and you may have to pick something else that doesn't work so well in your schedule. **BE PREPARED** to pay your bill by having sufficient resources in the form of financial aid and savings.

Understanding the financial aid offered

Certain scholarships are offered based on full time enrollment meaning a minimum of 12 credits. Your academic advisor at the college should be made aware of what you have been offered and help tailor the schedule to meet those requirements but not overload your schedule, especially in the first year. Federal Student Loans and the Federal Pell grant can be used in a full or part time status but the amount you can get will vary on the number of credits you are enrolled in.

Work-study

There are opportunities to work on campus, generally no more than 10-15 hours a week to help earn money for school. You should indicate on the Free Application for Federal Student Aid (FAFSA) that you are interested in work-study. Those eligible based on their Expected Family Contribution should be offered that as part of their aid package when the school sends you that offer letter. It is better to accept it then find out you can't do it then decline and decide you now need it as there are limited funds given to each school for work-study. The waiting list of students who want it far exceeds those that will get to use it. If you did not originally indicate your interest on your FAFSA go see the financial aid office to get you on the list. Many students accept then ultimately decline to use it so sometimes the wait list goes fast. There are many types of jobs on campus and those supervisors will work with your student to set a schedule that works. The student will receive a monthly paycheck after completing their work. Don't take on too much, though, for your first semester. College is a BIG change from high school in a number of ways.

Changing your schedule once school starts

It is not uncommon after the first week of classes that your student will want to drop or change a class or two. Generally they may not like the teacher and want to find someone else or their friends all have teacher B and they want to be in the same class. BEWARE! There are implications here. You can add, drop or change your schedule up to the 10th day of classes. Then, the college "freezes the enrollment" for financial aid purposes. If, at that time, you were supposed to be full time and are not enrolled in a minimum of 12 credits you may lose some of your scholarships or have the federal aid adjusted. It will then be too late to add a class back.

When will aid be applied and I get my living expense money?

Aid in all forms are applied after the 10th day of classes. As you are aware, there are more costs than just tuition fees and books. Miscellaneous supplies, housing, if applicable, transportation, meals and more are part of the college's "cost of attendance" budget so ultimately you are trying to get enough aid to meet all of this. Once the 10th day has passed aid will hit your account so if you have more than enough to cover the tuition and fees, the remainder should be refunded to the student and that is

what they will use to live on for that semester. Teaching your student financial responsibility is important. Once that check is in hand all bets are off. I have seen big screen TV's roll into the dorm, lot of eating out, etc. and then all of a sudden they are out of money for meals, transportation etc.

Satisfactory Academic Progress

Sometimes a student struggles in a class and either wants to drop it so that they don't fail or change it to an "audit" status which means they can sit in the class but they will not earn a grade for it. Please be aware that each college has a set of standards for making *Satisfactory Academic Progress*. This is a scale that adjusts as a freshman, sophomore, junior, etc. measuring the percentage of classes passed versus the number of classes attempted. Referring back to the 10th day of class freeze enrollment this is the picture of the classes enrolled in. If you drop or audit after that period it counts in the calculation of what was attempted at that time but ultimately not passed as you are not receiving a grade for an audit. Your grade point average is using a similar calculation and certain scholarships have a GPA component to them in order to keep the award. Have your student stick it out, meet with their advisor, or get a tutor instead of wrecking their GPA and academic progress because they think they will fail. The colleges have a number of resources to help your student be successful... you have to reach out to them.

Will I know how they are doing?

If you have a good relationship with your student they should be willing to share their successes and struggles with you. But what if they don't? The Department of Education recognizes that once a student is 18 years of age a parent or guardian will not have access to discuss grades and progress with the school. As a parent you will **not** be able to get any of this information as it falls under the Federal Education Rights and Privacy Act. (FERPA). But, don't fret. There is a FERPA form that your student can sign to authorize you to have the access you need. As a professional I strongly advise you to get your student to complete this form as you will be a key resource and support system for them. Ask about it in the Registrar's office.

What else could I possibly expect?

This is a big time for college freshmen making decisions for themselves. Please know that it may also be a time that a student is offered a credit card on campus. But, as you can guess, the interest rates are high as they have no established credit and how will they make the payments without a job? Just another thing to discuss with your student. Almost every campus has a Starbucks or coffee shop for those late night study sessions. But at \$3.50 a cup times 5 times a week they are spending almost \$20 a week conservatively (or more than \$80 a month) on coffee. It may be better served to get a small Mr. Coffee pot for the dorm or bring a thermos if you commute.

Books are very expensive. Gone are the days of getting an entire semester's worth of books for \$100. You can't even get one used book for \$100 so look for used books whenever possible to minimize the expense and sell them back at the end of the semester. If you have sufficient financial aid you will be able to get a credit on your account in order to get most books before the semester starts. A word of caution: try and check with the professors in advance of starting classes. They will have a list of books

Financial Aid Information

Academic School Year 2022-2023

but not all may be required to be purchased so don't spend any more than you have to. You may also have a friend that took that class and you can borrow it for the semester or trade it for one they need. Be creative!

Special Circumstances

Sometimes during the year something catastrophic happens...maybe a death of a parent or the primary family wage earner loses their employment. In certain cases a student and parent can file a "special circumstances appeal" through the financial aid office. With sufficient documentation the financial aid office may be able to make adjustments to your FAFSA thus deeming you eligible for more federal aid for the current year. Otherwise, those changes will ultimately be reflected when you file the FAFSA for next year.

Other Important Resources

How to File the Free Application for Federal Student Aid (FAFSA)

US Department of Education: (www.ed.gov) for additional information

Complete the FAFSA here: <https://studentaid.gov/h/apply-for-aid/fafsa>

FAFSA Video Instruction: <https://www.youtube.com/watch?v=vsl46YHy6lw>

Watch a YouTube video of completing the FAFSA step by step starting with creating a personal identification number and then completing the form. Approximately 25 minutes long.

College Virtual Tours and other helpful information such as planning for college, financial literacy, paying for college, campus life and career exploration: <https://www.ecampustours.com>

Where to get help?

Do not pay anyone to help complete your FAFSA. The local community colleges and your high school guidance counselors can provide free assistance. Watch out for local events during the winter months to provide college recruiting fairs and financial aid help such as College Goal Sunday and You Can Afford College.

Maryland Higher Education Commission Office of Student Financial Aid (MHEC OSFA)

Information about Maryland State scholarships, how to apply, deadlines and other criteria.

<http://www.mhec.state.md.us>

Use MDCAPS on this website to register and apply for Maryland scholarships.

Primary deadline for most scholarships is **March 1**.

Special assistance for Hispanics in completing the FAFSA

Near the bottom of this site are videos captioned in Spanish to help Latinos complete the FAFSA.

<https://sites.ed.gov/hispanic-initiative/3054-2/>

Perform online scholarship searches.

[Online scholarship searches](#) are research tools that can help you find leads on potential scholarships for which you may want to apply. Because there are numerous scholarship searches available online, you have to make sure to use the ones that are legit and reliable. When utilizing online scholarship searches, make sure the service is free, the scholarship information provided is up-to-date, and the company providing the service does not sell, lease, or rent your information to third parties.

Obtain a scholarship reference book.

Printed scholarship directories can be very helpful in your scholarship search. Visit your local library or bookstore and pick up the latest edition of a college scholarship guide book. Be sure to choose a book that gives detailed descriptions of the requirements, award amounts, etc.

Utilize an Internet search engine.

You may be pretty amazed by the amount of scholarships you can find just by using a search engine

Financial Aid Information

Academic School Year 2022-2023

like Google. The key is to search for very specific scholarship criteria. Don't just type in "scholarships." Think about your hobbies, extracurricular activities, physical characteristics, etc. and implement those into your search. For example, if one of your hobbies is skateboarding, try searching "scholarships for skateboarders." Or if you suffer from allergies, search "scholarships for people with allergies." You get the picture. Just think outside the box because you never know what you may find.

Ask your high school counselor.

If you are still in high school, drop by the counseling office and inquire about scholarships. Your counselor should have a lot of information about local scholarships because scholarship sponsors often send out updates and announcements to nearby high schools. You should speak with your counselor early in the school year so he/she will be able to keep a look-out on any scholarships in which you may qualify. Be sure to give your counselor information about your extracurricular activities/talents and your family's financial background.

Make inquiries at your college.

If you are in college or know which college you would like to attend, be sure to find out what kind of scholarships are offered through the school. You should speak with someone in your academic department to find out if scholarships specific to your major are available. You should also contact the school's financial aid office. A financial aid advisor will be able to help you learn whether you are eligible for any need-based scholarships or grants awarded directly from the school. College websites can also be very helpful. Look for scholarship information on the admissions and financial aid sections of the websites.

Research organizations and clubs in which you have been involved.

What kind of organizations have you been involved with at school? National Honor Society? Future Business Leaders of America? A sorority or fraternity? These types of organizations often offer educational scholarships to their members. Think about all of the extracurricular activities in which you are involved and then research the websites of those organizations.

Check with your employer.

Do you have a part-time job? Many companies offer scholarship opportunities to their employees. For instance, companies such as McDonald's, Walmart, and Cracker Barrel all offer scholarship opportunities for employees. Speak with someone in your HR department to see if scholarships are offered through your place of employment.

Tap into your parents' network.

You may be able to find scholarships through your parents' network. Many companies and organizations often award scholarships to the children of their employees or members. Be sure to check with your parents' place of employment as well as with any organizations or clubs to which your parents belong.

Check with local and national businesses.

Many small businesses like to give back to their community via scholarship opportunities for students. Check with your city's Chamber of Commerce for a list of local businesses and then visit

Financial Aid Information

Academic School Year 2022-2023

their websites or place a phone call to see if these companies offer any scholarships. Large companies, like Coca-Cola, also offer scholarship awards so be sure to include national businesses during your search.

Contact community service organizations and civic groups.

Service organizations and civic groups often hold fundraisers in their communities in order to offer scholarships to local students. Make some calls to your local Kiwanis club, Lions club, Jaycees, church, synagogue, mosque, etc. to inquire about available scholarships. Most community groups sponsor scholarships that are open to all students who live in the area so you usually don't have to be a member of the organization to apply.

American Opportunity Tax Credit

The American **opportunity tax credit** (AOTC) is a **credit** for qualified education expenses paid for an eligible student for the first four years of higher education. You can get a maximum annual credit of \$2,500 per eligible student. If the credit brings the amount of tax you owe to zero, you can have 40 percent of any remaining amount of the credit (up to \$1,000) refunded to you.

The amount of the credit is 100 percent of the first \$2,000 of qualified education expenses you paid for each eligible student and 25 percent of the next \$2,000 of qualified education expenses you paid for that student.

Who is an eligible student for AOTC?

Additional Information: <https://www.benefits.gov/benefit/5938>

To be eligible for AOTC, the student must:

- Be pursuing a degree or other recognized education credential
- Be enrolled at least half time for at least one academic period* beginning in the tax year
- Not have finished the first four years of higher education at the beginning of the tax year
- Not have claimed the AOTC or the former Hope credit for more than four tax years
- Not have a felony drug conviction at the end of the tax year

***Academic Period** can be semesters, trimesters, quarters or any other period of study such as a summer school session. The schools determine the academic periods. For schools that use clock or credit hours and do not have academic terms, the payment period may be treated as an academic period.

Claiming the credit

To be eligible to claim the AOTC or the lifetime learning credit (LLC), the law requires a taxpayer (or a dependent) to have received Form 1098-T, Tuition Statement, from an eligible educational institution, whether domestic or foreign. Generally, students receive a [Form 1098-T](#) PDF Tuition Statement, from their school by January 31. This statement helps you figure your credit. The form will have an amount in box 1 to show the amounts received during the year. But this amount may not be the amount you can claim. See qualified education expenses in [Publication 970](#) PDF, Tax Benefits for Education, for more information on what amount to claim. Check the Form 1098-T to make sure it is correct. If it isn't correct or you do not receive the form, contact your school.

Final Notes

This document is meant to scratch the surface of the kinds of financial aid and scholarships that are available.

Remember to be original when submitting essays for scholarships and for college admissions. Tailor your essay to the unique needs of the school or program. That is what will make you stand out. It is also not too late to start saving money from your paycheck to help with college expenses.

*Do not try to live like a professional while you are in school
or you will be living like a student after you graduate.*