

FAFSA: Why You Need It & How to Start

A WORKSHEET YOU CAN SHARE WITH YOUR PARENTS

How do I know if I should fill out the FAFSA?

Most types of college financial aid require you to complete the Free Application for Federal Student Aid (FAFSA), and many colleges and states require your FAFSA information to award their own grants and scholarships. Check any of the college financial aid you're interested in qualifying for:

Need-based financial aid, such as government-funded Federal, which you don't have to repay

Merit aid, such as grants and scholarships from colleges, which you don't have to repay

State-sponsored financial aid

Student loans, such as Federal Perkins and Stafford Loans, and PLUS Loans for parent borrowers

Federal and college work-study programs work-study programs (a job on campus while you attend)

If you placed a check mark next to any of these, you should definitely fill out the FAFSA.

Tip: Use the *FAFSA4caster* to estimate your eligibility for federal student aid. Simply go to fafsa4caster.ed.gov.

When should I fill out the FAFSA?

The FAFSA is available every year starting October 1st. You should start the application during your senior year as early as possible.

Why so early, you ask? The FAFSA takes time and students who file early tend to receive more grant aid. Many colleges and states have their own varying deadlines. So, don't forget to check your states deadline at fafsa.ed.gov.

What things do I need to get ready to file?

Make sure you have:

Your Social Security number

If not a U.S. citizen, alien registration number or permanent residence card

Your driver's license number

Your parents' and your tax return(s) from two years before the academic year to which you are applying for financial aid. (e.g. students who apply for financial aid for the 2017-2018 academic year will base their FAFSA on 2015 Federal Income tax returns.

Your parents' and your most recent bank statements

Your parents' most recent business and investment records

Ready to start?

You and your parent(s) must create a FSA ID at fsaid.ed.gov. Once completed, you will visit fafsa.ed.gov and click the "Start a New FAFSA" button. **Tip:** Use the IRS Data Retrieval Tool to transfer income and tax data from you and your parent(s)' federal income returns into the FAFSA.

Once you enter all of your information, double-check your work and print out and keep a copy of the confirmation page for your records. After your FAFSA is filed, you can log on and check the status at any time. **Note:** Some private colleges also require the CSS/Financial Aid PROFILE, found at collegeboard.com, which is a separate financial aid form.

Speak the Language: **Financial Aid**

When it comes to money, you don't need any misunderstandings. To help you navigate the waters of paying for college, here is a list of commonly used terms and what they mean.

Award Letter: Official notification of the type and amount of financial aid a college is offering you.

Demonstrated Need: The difference between what your family can contribute toward college expenses and the actual cost of attending college.

Expected Family Contribution (EFC): How much money you and your family are expected to contribute toward college expenses. EFC is based on your FAFSA application and a calculation by the federal government.

Free Application for Federal Student Aid (FAFSA): The federal application every student must submit in order to be eligible for federal financial aid. For more information and to complete the FAFSA visit fafsa.ed.gov.

Grants: Money for college that does not have to be repaid. Most grants are need-based and are awarded by the state or federal government.

Institutional Aid (or Campus-Based Aid): Financial assistance given by a college, typically either need-based or merit-based aid.

Loans: Money given to a student that must be paid back. There are several types of loans, including low- to zero-interest student loans given out by the federal government, like the Perkins and Stafford loans. These are the best options, since you don't have to pay back the money until you graduate. Private loans, offered through banks and credit unions, typically have higher interest rates.

Merit Aid: Financial aid awarded to you from a college based on your individual achievements and talents. For a full listing of what's available, visit MeritAid.com.

Need-Based Aid: Financial aid given based on the ability of you and your family to pay for college.

Scholarship: Money for college that does not have to be paid back. Usually awarded based on specific criteria, such as your academic performance, extracurricular activities, college major, ethnic heritage or religious affiliation. Scholarships may be awarded by colleges, private groups or states.

Student Aid Report (SAR): After you file the Free Application for Federal Student Aid (FAFSA), you will receive a SAR stating your EFC (expected family contribution) and eligibility for financial aid. This report is also sent to the colleges you indicate on the FAFSA.

Student Loan: Financial aid that must be repaid. Student loan programs are available through the federal government and private lenders.

Work-Study: Financial aid given in exchange for work (typically at a job on campus). To qualify for the Federal Work Study (FWS) program, you must complete the FAFSA.

Cappex Fit Fact: There is more than \$11 billion in merit scholarships available to students. Many of these scholarships are renewable each year. Go to MeritAid.com today, and find out which scholarships fit you *before* you apply.