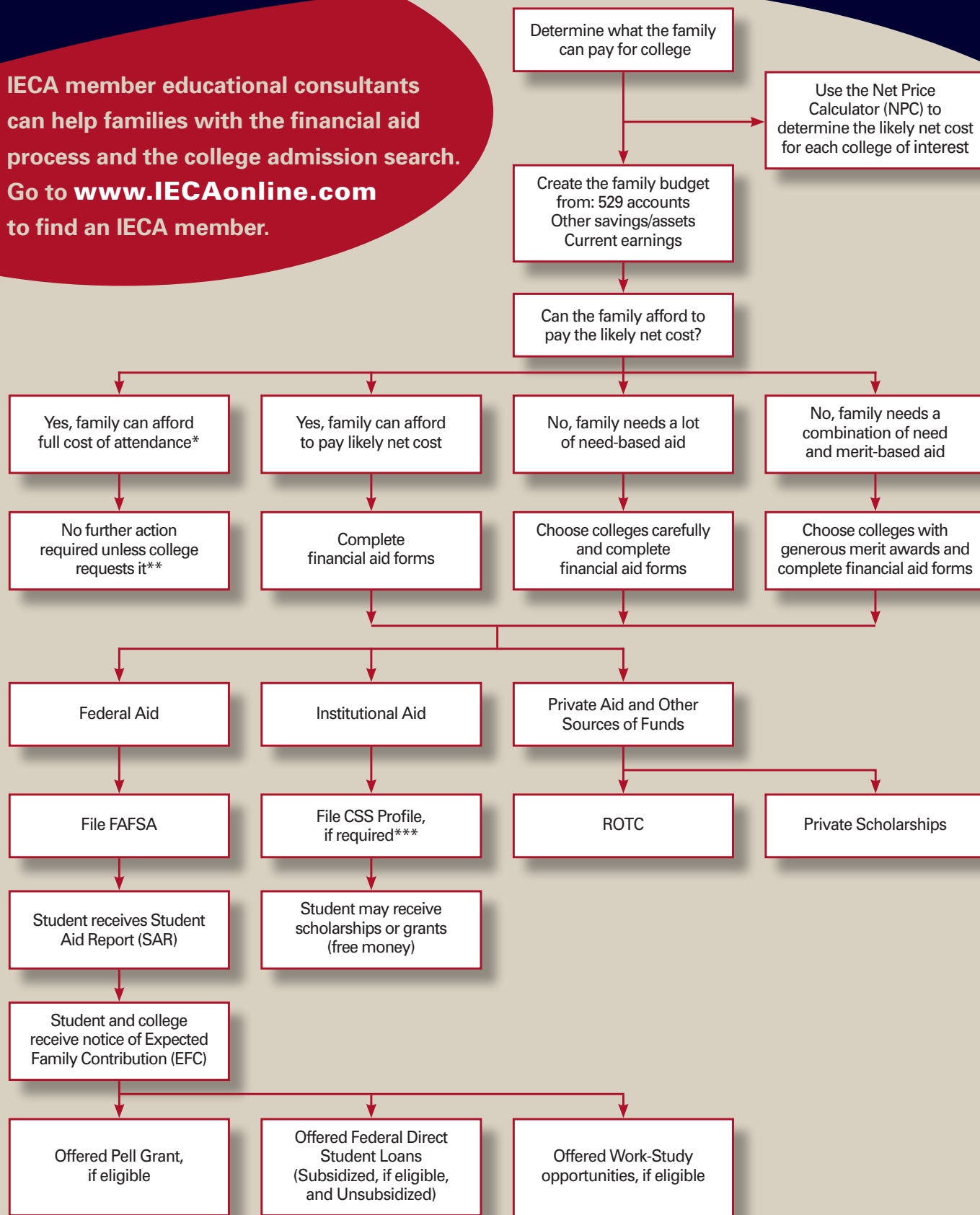




A Step-by-Step Process on How to Pay for College

IECA member educational consultants can help families with the financial aid process and the college admission search. Go to www.IECAonline.com to find an IECA member.



* Cost of attendance includes direct costs billed by the college, such as tuition, fees, room and board, and indirect costs, such as books, transportation, and other expenses.

** To obtain an unsubsidized Federal Direct Student Loan (all students are eligible with or without demonstrating "need"), file the FAFSA.

*** Divorced and separated parents may each be required to submit the CSS profile.

Financial Aid Terms You Should Know

► **Base Year:** The tax year from which data is used to determine eligibility for need-based financial aid via the FAFSA and CSS Profile. The base year for income information from students and parents is two years prior to the enrollment year. Asset information must be entered as of the day and year form(s) are filed.

► **Cost of Attendance (COA; also called sticker price):** Includes direct (billable) costs (i.e., tuition and fees and room and board or a housing and food allowance) and indirect (non-billable) expenses/allowances for books, supplies, transportation, loan fees, etc. as well as miscellaneous and personal expenses. It is essential not to underestimate COA.

► **CSS Profile:** A form found on the College Board website and required in addition to the FAFSA that employs the Institutional Methodology (IM). It is used by more than 300 private colleges and universities to determine eligibility for institutional, need-based aid; should be filed in October of 12th grade.

► **Demonstrated/Calculated Financial Need:** The amount of need-based financial aid a family may be eligible for after paying their EFC determined by the FAFSA and Profile. It is the difference between the COA and EFC. Most colleges do not meet 100% of demonstrated financial need, creating a gap.

► **Expected Family Contribution (EFC):** Determined by the FAFSA using the Federal Methodology (FM) and reported to the student, family, and designated colleges via the Student Aid Report (SAR). FAFSA EFC determines need-based federal and state aid as well as aid from many colleges. The Profile EFC is determined using the Institutional Methodology (IM) but is not reported to families because colleges may customize the formula. The EFC represent the minimum amount families are expected to contribute toward college expenses in a given year. Merit aid and need-based aid do not reduce the EFC.

► **FAFSA (Free Application for Federal Student Aid):**

The application that every student must submit to be eligible for federal financial aid (including grants, loans and work-study opportunities). The FAFSA uses the Federal Methodology (FM) to determine EFC; should be filed in October of 12th grade.

► **FSA ID (Federal Student Aid ID):** The user name and password that both a dependent student and a parent are required to set up so they can sign the FAFSA electronically.

► **Subsidized/Unsubsidized Loans:** Federal loans that must be repaid which students borrow directly from the US Department of Education at participating schools. Subsidized loans are made to eligible undergraduate students who demonstrate *financial need*; *unsubsidized* loans are made to eligible undergraduate, graduate, and professional students, without having to demonstrate need. The FAFSA must be filed to be considered for either.

► **Net Price Calculator (NPC):** An online tool that allows current and prospective students and their families to estimate the net (actual) price of a specific college or university. NPCs are located on a school's website, usually in the financial aid section. They should be used with caution due to their variable utility.

► **Verification:** A federally-mandated review process in which a college financial aid office determines the accuracy of the information provided on the FAFSA and for which the filers are required to submit documentation and clarification. Student Aid Reports that show an asterisk next to the EFC figure have been selected for verification; some colleges verify all submitted FAFSAs. Being selected does not necessarily mean a mistake has been made but you must follow instructions for compliance to avoid jeopardizing federal financial aid.



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