

Financial Aid

Financial aid includes (refers to) all types of financial assistance given to students to help them pay for, or reduce the amount of, their cost of attending college. This includes actual money given to or credited to a student or a reduction in their tuition for services rendered.

What does financial aid “cover”?

Financial aid may cover cost of tuition and fees, books and supplies, room and board (housing and food), transportation, and additional living cost such as clothing and medical. Incarcerated students qualify for tuition, books and fees associated with their class. Most financial aid is dispersed through the college financial aid office so the college keeps tuition and fees and then the remaining funds are issued to the student. On some campuses the students’ cost for room and board may also be deducted before additional monies are dispersed.

What are the sources of financial aid?

Sources of financial aid can be divided into four broad categories:

1. Federal
2. State
3. Institutional (college/university)
4. Private (businesses, community, organizations, individuals)

Federal financial aid is the most widely-known aid because it receives widespread publicity and because it is the best funded. It is usually the source of the most funds at community colleges, state colleges and universities. Federal aid may be determined by the Federal government and distributed through the student’s college or it may be given to the college to award the students based on the federal guidelines.

State financial aid is that money allocated by the specific state, usually limited to residents of that state. Definition of what constitutes residency may vary from state to state, but in typically will require living in the state for a year. Other rules and/or limitations may also apply.

Institutional financial aid is aid which is awarded to students by the college from monies donated to the college by individuals, organizations, or businesses for the purpose of providing student scholarship. Institutional aid may also be in the form of tuition waivers and/or reduction in room and board for “services rendered”. These services may include teaching classes to underclassmen, serving in student government, serving as assistant in a living organization, etc.

Private aid includes that aid which is awarded by companies and organizations directly to individual students. The sponsoring group determines the criteria for awarding the aid, usually establishes their own application, and selects the recipients for the aid.

Private financial aid is the most difficult to learn about, there are numerous sources and there is no one source to go learn about out what is available. The criteria may be very specific such as living in a very small area of a state, working for specific company or be the son or daughter of an employee of a company. Others are limited to very specific majors, or to a specific classification of people such as graduate students, first generation college students, specific under-represented minority classification, etc.

Informative FAFSA videos can be found

<http://www.youtube.com/playlist?list=PL23B9A23CD8DD82DD&feature=plcp>

What types of financial aid are available?

There are six general classifications of financial aid available at most colleges:

1. Grants – These do not have to be paid back *unless* student does not meet the basic attendance and GPA requirements.
 - a. Federal PELL grant (available to incarcerated students in a state or federal youth institution)
 - b. Federal Supplemental Educational Opportunity Grants (SEOG)
 - c. Oregon Opportunity Grant
 - d. Academic competitiveness
2. Work Study
3. Part-time work
4. Loans – These need to be paid back with interest (Not available to incarcerated students)
 - a. Federal Perkins Student Loans
 - b. Federal Subsidized Stafford Loans
 - c. Federal Unsubsidized Stafford Loans
 - d. Federal PLUS Loans for parents
5. Short-term loans for textbooks Scholarships (can vary per institution)
 - a. Chemeketa Scholars – Applications accepted early March
 - b. Chemeketa Foundation scholarships – Applications accepted each February
 - c. Oregon scholarships
6. Tuitions Waivers – If you qualify, you do not have to pay full price for tuition.
 - a. Students age 65+
 - b. Disabled Oregon Veterans
 - c. Dependents of fallen Oregon Service Personnel

How do I Apply for Financial Aid?

There are three different types of financial aid applications of which you should be aware:

1. Free application for Federal Student Aid (FAFSA)
2. Institutional financial aid application.
3. Specific scholarship and grant applications

FAFSA

The FAFSA is used to assess a student's financial need and is used for the most commonly awarded federal financial aid. Federal aid is awarded on the premise that it is primarily the parent's responsibility to provide for their children's college education. Financial aid was established to provide a means for students to attend college when their parent could not afford college.

Therefore, parent's income and assets are used as basis for awarding financial aid to students classified as dependent students. As more students began attending college after they has been out of high school, and had become independent of their parents, a criterion of "independent" students was established which did not need to report parent's income. This criterion has undergone many changes to reflect changes in the population.

To be an "independent student" you must meet at least one of the following criteria (see application for specific criteria).

1. Be 24 years old by January 1st of the year you are apply for aid
2. Working on a degree beyond bachelor's degree

3. Married
4. Orphan or ward of the court/parents deceased
5. Veteran of U.S. Armed Forces
6. Supporting children or other dependents, who receive more than half of their support from you.

Note: "Ward of the Court" happens when the parents have done something which resulted in the kids being declared by the court to be in the custody of another adult. "Ward of the State" means the student did something and has been assigned to an OYA facility.

The student needs to be supporting a child for 50% or more during the school year in order to check that box...so if they are in the OYA they will need to provide parents info on the FAFSA.

Institutional Applications

Most colleges have their own application(s) which is used to disperse the aid (usually scholarships) which they award. Many private colleges require an additional application to the FAFSA before they will award Federal Aid.

Contact the specific financial aid office for their application.

Specific Scholarship or Grant Application

The majority of private financial aid programs have their own specific application. Students must obtain and complete a separate application for each scholarship. These applications are relatively short (one to four pages). The applicant usually must write an essay or statement relating their situation to the selection criteria or purpose of the scholarship.

When should I Apply for Financial Aid?

Deadlines for financial aid applications vary but usually fall between February 1 and May 15 for aid for the following fall term. However, students who apply earlier often get more aid and more aid that does not have to be repaid.

FAFSA and Institutional Applications

FAFSA applications may be filed anytime after January 1 for the following July through June enrollment periods. Early application is recommended. Most four-year colleges recommend submitting the FAFSA by February 1 for best financial aid opportunities.

Many students decide which college to attend based on the financial aid they will receive. This is particularly true for the more expensive private or independent institutions. Therefore, the colleges need to send students financial aid awarded letters as early as possible so the college will not be eliminated from the student's consideration.

Some colleges refer to February 1 as the "priority" or "preferred" deadline. Priority indicates that the student who applies early will be considered for all aid for which they are eligible. Later applicants will be considered for all remaining aid for which they are eligible. As different funds become depleted, students will not receive as much money as they would have been eligible to receive. Financial aid

applications may be filed throughout the school year, but often the Federal Pell Grant may be the only fund with monies remaining.

Work-Study

Work study is usually a Federal program referred to as FWS (Federal Work-Study). Jobs are secured by the student through the college financial aid office and are limited to students qualified on some “needs basis” through the financial aid application. Private businesses also have provided work-study opportunities that may take the form of employment during one or two terms of school.

Military academies and some agencies will sometimes pay for some or all of a college education if a student commits to spend a certain length of time in the military or work for a certain period of time after graduation. In this case the study comes first, followed by the work commitment. The funding received by the student is paid back by the work commitment. If a student fails to meet these work requirements they become responsible to pay back the cost of the education received.

Part-time Work

Part-time work differs from work study as it is not awarded by the financial aid office or by a specific business or organization for the sole purpose of educating a student to work for their organization.

Although many students find their own part-time employment, most colleges offer some part-time employment to students. Part-time employment provided through the college funds usually are not administered through the financial aid office. Individual departments hire students directly and selection of employees is made on qualifications rather than financial need. Specific students may be recruited for some jobs such as teacher assistants, tutors, library aid, lab assistants, etc.

Although not usually referred to as work-study, some colleges hire students in “jobs” for which tuition waivers or room and board are the “payment”. These include such jobs as tutoring, student-government, student activities positions, and dormitory counselor or assistant. At the graduate level, teaching assistantships (also referred to as graduate assistants) fit into the broad category of work-study.

Scholarships

Scholarships are much like grants in that they are a “gift” without a work attachment. They are less likely than a grant to be based on need. They are more often, as the name implies, given strong consideration to the students’ high school or college grades. Scholarships are usually directed to either a specific population or to those in a specific major.

Specific populations include, among many others, such criteria as:

1. Work at a specific place or for a specific company or the daughters or son of an employee
2. Live in a specific geographical area (i.e., a specific county, city or in some cases a state) or a graduate of a specific high school
3. A member of a specific ethnic or minority group or have a certain grade point average

Specific majors may be as broad a category as “social science” or more specific such as Political Science. They may be limited to freshman, sophomores, juniors, seniors or graduate students.

Scholarships may be awarded on the basis of winning a competition as varied as winning a spelling, music or math competition to winning a model airplane contest. Scholarships are also awarded on the basis of a written essay such as “What Freedom Means to Me.”

Most scholarships require a written statement by the applicant explaining their goals and sometimes their financial need. Financial need is usually not determined by formal needs assessment, but rather by the student statement or simplified budget outline.

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Loans-Perkins, Direct/Stafford

Loans are monies given to students to assist with college related expenses. Usually students repay the entire amount they receive plus interest.

In accepting a loan it may be wise to check or compare the variable conditions of a loan which include the following:

- a. What is the interest rate?
- b. Does interest accrue (1) while you are in school, (2) when you complete school, (3) six months after you finish school, etc.?
- c. Is the interest subsidized by the federal government? Which means does the government pay the interest until the student enters the repayment period?
- d. Is there a “forgiveness clause?” This means that if you work in a specific career field or in a designated low income area, etc. for a certain length of time part of you loan is forgiven.

Private Applications

Applications for private scholarships may be due anytime throughout the year, with the most common deadline dates falling between February 1 and May 15. Traditionally most scholarships are awarded to high school seniors and are announced at high school graduation ceremonies.

It is important that you begin your search for scholarships early so you have time to adequately prepare your application, including writing the often required “essay” and obtaining reference letters.

How do I Apply?

In preparing an application, remember you are trying to “sell” yourself to a selection committee. Your application must make the committee decide you are the most deserving or worthy candidate among all the applicants.

The following are good rules to remember when completing the application:

- A. Read and follow directions carefully. Applications such as FAFSA specify how the application is to be completed. It is wise to read all directions carefully before beginning the applications.

- B. When possible, print a copy of the application before you begin and use the copy as your working or practice application. Then copy the information to the application online.
- C. Neatness is important. Typing is often preferred for institutional or private scholarship applications. Most applications are now available online only.
- D. Grammar and punctuation must be correct.
- E. If the application required you to write a paragraph or essay, be sure it is well organized, concise yet clear and structured and lets the committee get a “glimpse” of you. Uniqueness often helps set you apart from the other applicants
- F. References should be chosen carefully. The person should know you well, or you should help them get to know you better. When writing a recommendation for you, most references will appreciate a written “resume” or list of your activities and accomplishments. This saves them time and helps them do a more thorough job of recommending you.

You should give the reference a stamped, addressed envelope unless the recommendation is to be returned to you. If it is a “form” to be completed, be sure to fill in the line for the applicant’s name. Your reference may forget who gave him/her the reference form. Remember references are doing you a favor-make sure their job is as easy as possible.

How Do I Learn If I will Receive Financial Aid?

Financial aid may be awarded to you in two ways:

1. Through the college Financial Aid office
2. Directly to you by the awarding organization

Aid awarded through the college:

Most colleges will require that you have applied to their institution before they will award aid to you. Some students have a tendency to “shop” for colleges through financial aid, requesting FA from a number of colleges and then applying to only one or two where they receive the best financial aid offered. By requiring application to the school before awarding FA, the college is able to help more students who want to come to their school rather than having aid committed to “shoppers”.

Financial Aid Package and Award Notification

Colleges designate aid to students in “Financial Aid Packages”. Financial aid officers usually try to fund students needs to a certain level “such as 85% to 100%” of their need. They realize students would be unable to attend if they are given monies for books and tuition but do not have money for room and board.

A package often contains money from two or more sources. When a student receives a grant awarded by the college, part of their need may also be filled by work-study or a loan.

Any adjustments to financial aid awards must be made through the financial aid office. Sometimes they are able to change work-study to loan for instance to accommodate a heavy-class load or additional home responsibilities.

Aid Awarded Directly by an Organization

Most organizations that provide grants, loans, and scholarships will notify the applicant directly. Groups that choose to help students financially usually like to receive some publicity for their group. Therefore,

they often “present” the award at a luncheon or through news release. The recipient will usually receive a phone call or letter informing them they have been chosen.

Aid from organizations may be dispersed in different ways, the first two being the most common:

1. Monies are sent to college and the college disperses funds when the student registers. The award may be given the student’s first term or semester or be divided into three terms or two semesters.
2. Student registers for classes and furnishes organization receipt indicating they are enrolled in classes. Organization disperses funds directly to the student.
3. Funds are sent directly to the student to use when they register for classes.

It is important that you send a note of appreciation to sponsoring organizations. When organizations do not hear from recipients, they may discontinue their FA program.

How Do I Know to Accept the Financial Aid Package?

If you would like to attend the college offering the financial aid, you probably will want to accept the offer. There are usually two reasons you might not want to do this, or at least consider other offers.

If you determine you will not be able to come up with the additional resources to make up the difference between what you believe you need to complete a year of school and what the college offers you, you may need to reconsider what school to attend.

The other reason you might not accept the award is because the loan amount is greater than you feel comfortable accepting. You can always talk to the FA director at the school and see if any adjustment can be made to your offered award. Often you can adjust your offer by accepting some but not all of the award. They may allow you to lower the amount of loans you accept as long as you adjust this before you receive the aid awarded.

How Much Loan Should I Accept?

There is no one who can answer to this question for you. There are many factors to consider:

1. Are you willing to be in debt?
2. How many additional loans will you require to complete your education?
3. When does repayment begin?
4. When does interest begin to accrue?
5. Can loans be consolidated if I receive loans from two or more schools and from two or more loan sources?
6. Are you willing to move to find employment?

Keep in mind \$100,000 or **more** indebtedness is common for students graduating from some professional schools such as Chiropractic, Medicine, Dental, and Law.

Some options to incurring a large debt would be (1) to work more hours while attending school; (2) taking a lighter class load and extending schooling for an additional year; (3) attend a less expensive undergraduate school; (4) reserve load indebtedness for graduate school.

What Are the Academic Requirements to Receive and Keep Financial Aid?

Policies may vary slightly with different colleges. Some of the criteria that often are applied are:

1. Enroll half-time (6 quarter hours) to full-time credit hours required for your aid.

2. Maintain a 2.00 GPA a C average.
3. Satisfactorily complete all half-time or full-time credit hours required for your aid.
4. Attendance verification may be required for some aid programs.
5. Enroll in a minimum 1-3 credits if only receiving the Pell grant.

Where Can I Learn About Financial Aid Opportunities?

There is no one resource which lists all scholarships that are available. Commonly used resources which will aid you in your search for financial aid area:

1. College Financial aid Office
2. The Internet
3. Computerized Career Programs such as CIS
4. College Fairs
5. College Career Centers
6. CollegeBoard "Getting Financial Aid" Scholarships, Grants, Loans and Jobs