

# The Freshman Financial Aid Process at the University of San Diego

Fall 2010

# Topics

- Cost of Attendance
- FAFSA and EFC
- Calculating and Meeting the Student's Need
- The Loan Application Process
- The Verification Process
- Disbursement and Refunds
- The Financial Aid Year

# Cost of Attendance (COA)

- COA is the annual cost to attend USD. It includes both educational expenses (e.g. tuition, fees and books) and living expenses (e.g. room and board, transportation, and sundries)
- USD has three standard COA figures for full-time UG students:

On-campus:	\$53,579
Off-campus with parents:	\$47,431
Other off-campus:	\$53,875

# FAFSA and EFC

- Every student who is applying for need-based financial aid must file a Free Application for Federal Student Aid (FAFSA) form with the Department of Education.
- Students from California are also expected to apply for a Cal Grant. Because the state has a strict deadline of March 2<sup>nd</sup> for Cal Grant applications, USD must receive the FAFSA from the Dept. of Ed by March 2<sup>nd</sup> each year.

# FAFSA and EFC (Continued)

- Students who meet the March 2<sup>nd</sup> deadline are labeled priority applicants and those who don't are late applicants. Late applicants will receive reduced financial aid packages (this can be appealed).
- Information from the FAFSA on the income and assets of both the student and the parents as well as the number of children in college is used to calculate the Expected Family Contribution (EFC)

# Calculation of Need

- A student's need is calculated by subtracting the student's EFC from the student's COA.
- For example, for a student living on campus (COA = \$53,579) with an EFC of \$12,345:

$$\text{Need} = \text{COA} - \text{EFC}$$

$$\text{Need} = \$53,579 - \$12,345$$

$$\text{Need} = \$41,234$$

# Meeting the Student's Need

- Incoming freshmen students are placed into one of five academic quality columns (based upon the sum of  $400 \times \text{HS GPA} + \text{SAT Scores}$ ) and one of seven financial need rows.
- Those students with the greatest need and the best academic quality (cells 1, 2, 6, and 7) get the largest percentage of their need met by gift assistance (i.e. grants and scholarships).

# The Financial Aid Matrix

		Academic Index				
MATRIX		3040 +	2850 - 3039	2680 - 2849	2500 - 2679	0 - 2499
Financial Need	\$50,900+	1	2	3	4	5
	\$45,100 - \$50,899	6	7	8	9	10
	\$33,800 - \$45,099	11	12	13	14	15
	\$22,400 - \$33,799	16	17	18	19	20
	\$11,200 - \$22,399	21	22	23	24	25
	\$1 - \$11,199	26	27	28	29	30
No Need/Merit		31	32	33	34	35
Full Pay		36	37	38	39	40



# Meeting the Student's Need -2

- Suppose, given the cell the student is in, 75% of the Student's need is to be met with gift aid.
- For a student with \$41,234 in need then the student will receive \$30,925 of grants and scholarships from all sources.
- Cal and Pell grants are applied first and USD money provides the remainder whenever possible. Grants brought in after the initial packaging will reduce USD money by that amount.

# Meeting the Student's Need – 3

- The difference between the student's need and the student's gift aid is the student's unmet need.
- Continuing our example, the student's need is \$41,234 and the student's gift aid is \$30,925 so the student's unmet need is \$10,309.
- The student will be offered loans, and if eligible federal work study, for the amount of unmet need. Parents may also take out loans for the amount of the EFC. Outside scholarships can be used to reduce loans.

# Next Steps

- Freshmen students are notified prior to May 1<sup>st</sup> via e-mail that a financial aid package is available for his/her review in the MySanDiego portal.
- The student accepts or declines, in whole or in part, each line item in the package.
- If the student accepts any loans, then the student and/or the parents must go through the loan process. As of July 1, 2010, all loans are handled through the Direct Lending program.

# The Loan Application Process

- The student accepts the loan in the portal (previous slide).
- The student goes to <https://studentloans.gov> for entrance loan counseling.
- The student completes a Master Promissory Note at <https://studentloans.gov>. A DOE issued PIN (same as for FAFSA) is required to do so (If the student does not have this go to [www.pin.ed.gov](http://www.pin.ed.gov) to get one).

# Verification

- The information submitted on the FAFSA is self-reported.
- In order to ensure the accuracy of this information, each year the Department of Education (randomly) selects around 30% of our students for verification.
- Verification means the student and the parents must prove the information submitted on the FAFSA is accurate and correct.

# Verification (continued)

- There is a standard federal methodology USD must follow for the students selected by the Dept. of Ed. for verification.
- Due to the complexity of the process, verification can take weeks or months, especially when parents have not already completed their tax returns (a required item).
- If verification changes the EFC then USD must change the financial aid package accordingly.

# Disbursement

- The federal government requires that its financial aid funds be disbursed no sooner than 10 days before the start of a term.
- USD has adopted a disbursement date of 8 days before the start of a term for all funds.
- Starting this Fall this disbursement date is prior to the date that final payment is due.

# Disbursement (continued)

- Students who are late applicants, have not completed the loan process, or have not completed the verification process may not have their aid disburse at this time. Such students must make payment arrangements.
- USD aid is restricted to expenses at USD and Cal Grants are restricted to tuition payments, but loans and Pell Grants have no restrictions. Unrestricted aid in excess of USD charges is “refunded” to the student to pay for living expenses and textbooks.



# The Financial Aid Year

- The Fall and Spring semesters are covered by the above process, i.e. financial aid at USD is awarded on an annual basis covering these two semesters.
- Students must apply separately for financial aid for Intersession or for Summer Session. USD does not award gift assistance for these optional terms. Eligible students will be offered loans and, for Pell eligible students, may be offered Pell grants if their annual eligibility has not all been used.