

*The ten most commonly asked questions about financial aid.*  
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*1. I probably don't qualify for aid. Should I apply for aid anyway?*

Yes. Many families mistakenly think they don't qualify for aid and prevent themselves from receiving financial aid by failing to apply for it. In addition, there are a few sources of aid such as unsubsidized Stafford and PLUS loans that are available regardless of need. The FAFSA form is free. There is no good excuse for not applying.

*2. Do I need to be admitted before I can apply for financial aid at a particular university?*

No. You can apply for financial aid any time after January 1. To actually receive funds, however, you must be admitted and enrolled at the university.

*3. Why can't I submit my financial aid application before January 1?*

The need analysis process for financial aid uses the family's income and tax information from the most recent tax year (the base year) to judge your eligibility for need-based financial aid during the upcoming academic year (the award year). Since the base year ends December 31, you cannot submit a financial aid application until January 1.

*4. Do I have to reapply for financial aid every year?*

Yes. Most financial aid offices require that you apply for financial aid every year. If your financial circumstances change, you may get more or less aid. After your first year you will receive a "Renewal Application" which contains preprinted information from the previous year's FAFSA. Note that your eligibility for financial aid may change significantly, especially if you have a different number of family members in college. Renewal of your financial aid package also depends on your making satisfactory academic progress toward a degree, such as earning a minimum number of credits and achieving a minimum GPA.

*5. How do I apply for a Pell Grant and other types of Federal need-based aid?*

Submit a FAFSA. To indicate interest in student employment, student loans and parent loans, you should check the appropriate boxes. Checking

these boxes does not commit you to accepting these types of aid. You will have the opportunity to accept or decline each part of your aid package later. Leaving these boxes unchecked will not increase the amount of grants you receive.

*6. Are my parents responsible for my educational loans?*

No. Parents are, however, responsible for the Federal PLUS loans. Parents will only be responsible for your educational loans if you are under 18 and they co-sign your loan. In general you and you alone are responsible for repaying your educational loans. On the other hand, if your parents (or grandparents) want to help pay off your loan, you can have your billing statements sent to their address. Likewise, if your lender or loan company provides an electronic payment service where the monthly payments are automatically deducted from a bank account, your parents can agree to have the payments deducted from their account. But your parents are under no obligation to repay your loans. If they forget to pay the bill on time or decide to cancel the electronic payment agreement, you will be held responsible for the payments, not them.

*7. Why is the family contribution listed on the SAR different from the family contribution expected by the university?*

The federal formula for computing the expected family contribution is different from those used by many universities. In particular, the federal formula does not consider home equity as part of the assets, yet many private colleges will take home equity into consideration for their institutional funds.

*8. If I take a leave of absence, do I have to start repaying my loans?*

Not immediately. The subsidized Stafford loan has a grace period of 6 months and the Perkins loan has a grace period of 9 months before the student must begin repaying the loan. When you take a leave of absence you will not have to repay your loan until the grace period is used up. If you use up the grace period, however, when you graduate you will have to begin repaying your loan immediately. It is possible to request an extension to the grace period, but this must be done before the grace period is used up. If your grace period has run out in the middle of your leave of absence, you will have to start making payments on your student loans.

*9. I got an outside scholarship. Should I report it to the financial aid office?*

Yes. If you are receiving any kind of financial aid from university or government sources, you must report the scholarship to the financial aid office. Unfortunately, the university will adjust your financial aid package to compensate. Nevertheless, the outside scholarship will have some beneficial effects. At some universities outside scholarships are used to reduce the student loan level.

*10. Are work-study earnings taxable?*

Yes, the money earned from Federal Work-Study is generally subject to federal and state income tax, but exempt from FICA taxes (provided you are enrolled full time and work less than half-time). The student should be careful to report amounts based on the calendar year, not the school year.

Tags

Financial aid, work-study, FAFSA, Stafford loan, Plus loan, need-based aid, scholarships, Perkins Loan, Pell Grant