

# Financial Aid at **MichiganTech**

*What students and parents need to know.*

Press F5 to begin the slide show



# Know the Buzz Words

**COA** - Cost of Attendance

**FAFSA** - Free Application for Federal Student Aid

**SAR** - Student Aid Report

**EFC** - Expected Family Contribution

# Cost of Attendance (COA)

also known as a Budget

- Tuition, fees, room & board, books & supplies, personal needs & travel
- Different budgets for full-time, part-time, resident, non-resident, commuting, undergraduate, graduate, etc.
- Contact Admissions, Financial Aid, visit web site ([www.finaid.mtu.edu](http://www.finaid.mtu.edu))

# Saving for College/Reduce Cost

- Saving for College
  - College Cost Projector, Savings Growth Projector, Prepaid Tuition Calculator – [www.finaid.org](http://www.finaid.org)
  - Michigan Education Trust (MET), 529's – consult your tax advisor
- Reduce Cost prior to Enrollment
  - Advanced Placement (AP) credit
  - Dual Enrollment
  - Other College Enrollment

# Possible Resources

- Parents, Savings, Employment
- Financial Aid – federal, state, institutional; scholarships, grants, work-study, loans
- Other sources – parent's or student's place of employment
- Web Sites:
  - [www.collegeboard.com](http://www.collegeboard.com) info on planning & paying for college
  - [www.nasfaa.org](http://www.nasfaa.org) click on Parents & Students: info and links to the Student Guide, Cash for College, Scholarship Scams, Do It/Afford It, etc.
  - [www.sss.gov](http://www.sss.gov) register for Selective Service

# Merit Based Scholarships

- **Web Searches** – [www.finaid.org](http://www.finaid.org), [www.fastweb.com](http://www.fastweb.com), [www.scholarshipcoach.com](http://www.scholarshipcoach.com)
- **Beware of Scams** – watch out for these types of phrases:
  1. “The scholarship is guaranteed or your money back.”
  2. “You can’t get this information anywhere else.”
  3. “May we have your credit card or bank account number to hold this scholarship?”
  4. “We’ll do all the work.”
  5. “There is an application fee for this scholarship.”
  6. “You’ve been selected” by a “National Foundation” to receive a scholarship, or “You’re a finalist” in a contest you never entered.

# Merit-Based Scholarships

- **Institutional Scholarships** - Michigan Tech offers:

Michigan residents – Scholar Award (October 15<sup>th</sup> deadline),  
Presidential Scholars Program, Michigan Alumni Legacy Award,  
Michigan Community College Scholarship

Non-residents – National Scholars Program, Alumni Legacy Award,  
International Ambassador Scholarship, McAllister Scholarship  
(Canadian citizens)

- **Local Opportunities** — high school, credit unions, fraternal organizations, religious organizations, etc.

# Need Based Financial Aid

## Annual Process

- File Free Application for Federal Student Aid (FAFSA) by state deadline (Michigan – March 1)
  - filing electronically ([www.fafsa.ed.gov](http://www.fafsa.ed.gov)) – student & parent must apply for a PIN prior to filing
  - paper copy – don't forget to sign and date it (student & parent)
- Check the Student Aid Report (SAR) for errors (missing signatures, blank items, AGI & taxes paid are equal, etc.)

# Need Based Financial Aid (cont.)

- **Expected Family Contribution (EFC)** - derived from FAFSA results
  - communicated via the Student Aid Report (SAR)
- **Use the Financial Aid Estimation (Calculator)** – located at [www.finaid.org](http://www.finaid.org) to estimate an EFC or to determine changes in a future year's EFC
  - example: second student enrolling in college.

# Need Based Financial Aid (cont.)

- **Grants** – gift awards that are not repaid
- **Work-study** – employment based upon unmet financial need – at Michigan Tech, student employment is also available without being awarded work-study.
- **Subsidized Loans** – interest does not accumulate until graduation
  - Federal Direct Subsidized Loan (6.8% fixed as of July, 1 2006)
  - Federal Perkins Loan (5%)

# Unsubsidized Loans are not need-based

- **Federal Direct Unsubsidized Loan** – interest accrues during enrollment, student may elect to pay interest while enrolled (6.8% fixed as of July 1, 2006)
- **Alternative Loans** – cosigner required, varying borrowing limits, origination fees, interest rates, repayment terms & restrictions
- **Parent PLUS Loans\*** – available to parents to pay COA of their dependent students (6.10% for 2005-06), no grace period

\*annual interest rate determined by the May 31<sup>st</sup> T-Bill rate

# Financial Aid Packages

- Financial Aid award notifications show the estimated COA, the EFC and the aid offered.
  - New student award notifications are sent by mid-March for FAFSA's processed by March 1
  - Additional award notifications are sent the end of March and mid-April
  - **Remember- filing a FAFSA is an annual process**
    - Financial aid is communicated to returning students in July

# Compare Financial Aid Packages

View the [Cost of Attendance Comparison Worksheet](#) located at [www.nasfaa.org](http://www.nasfaa.org) (look under Students & Parents, NASFAA Financial Aid Tools) and ask:

- What is actual billable cost?
- How much is awarded as work or loans? These are considered self-help.
- How much is awarded as subsidized loans and/or unsubsidized loans?
- What will be your out-of-pocket expenses?
- What is the quality of the education received vs the cost?

# Processing the Bill

for more information view "Students"  
at [www.admin.mtu.edu/acct/](http://www.admin.mtu.edu/acct/)

- Process Michigan Tech bill by due date to avoid late fees and cancellation of schedule
  - Cash – in person only
  - Check – in person or by mail
  - Credit card & electronic check – online only
- **MTU Pre-payment plan** – no charge, 4 monthly payments per semester
- **MTU Deferred payment plan** - \$50 charge to defer 50% of the initial bill

# IRS – tax implications

- Visit [www.irs.gov](http://www.irs.gov) for Publication 970, *Tax Benefits for Education*
- Hope Scholarship Tax Credit & Lifetime Learning Credit info
  - [www.nasfaa.org](http://www.nasfaa.org) (Parents & Students: *Parent & Student Guide to Federal Tax Benefits for Tuition and Fees*)
- **January 31** – 1098-T's mailed by this date to students at their permanent address
- **1040** – scholarships & fellowship grants not reported on a W-2

# Credit Cards: Use Wisely!

- Watch out for introductory offers.
- Recognize risky credit card behavior.
- Is a credit card necessary?
  - **Pros** – emergency situations easier to handle, establish good credit record
  - **Cons** – pay more for purchases if not paying off monthly bills in full, temptation, bad credit rating, bankruptcy

**Parents:** Know your student, help them set boundaries on spending and talk to them about budgeting.

# Credit Cards (cont.)

- Steps to building a solid credit history
  - Establish a budget and stick to it.
  - Be responsible; pay credit card balances on time.
  - Pay more than the minimum monthly payment.
  - Use one card to establish credit – don't overextend.
  - Watch credit limits – buy only necessary items.
  - More info is located at [www.nasfaa.org](http://www.nasfaa.org).

# For more information:

Please contact the  
Michigan Tech Financial Aid Office  
at 1-888-MTU-1885  
or [www.finaid.mtu.edu](http://www.finaid.mtu.edu)

