Counselor Tips and Tools for Helping Students Understand Financial Aid, Throughout the College Decision Process

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Who is uAspire: Student-Centered Impact Models

We distribute our expertise in college affordability via three impact models, each aimed at positively impacting the lives and educational dreams of students from low-income, first generation backgrounds and the environments in which they live.

To achieve student-centered impact, uAspire:
• Serves Students
• Trains Practitioners
• Impacts Systems
uAspire works to ensure that all young people have the financial information and resources necessary to find an affordable path to – and through – a postsecondary education.
An independent, nonprofit research and policy organization that works to make higher education more available and affordable for people of all backgrounds.

Our work on financial aid communication includes award letters, net price calculators, and loan counseling.

TICAS also works on issues related to student borrowing (see The Project on Student Debt and IBRinfo.org), grant aid, FAFSA simplification, and data policy.
Role of Counselors in the Financial Aid Process

* **Guides:** Often the first people students and their parents turn to

* **Translators:** Financial aid terminology and process
  * This is difficult at times due to the differences between colleges, formats, terms, etc.

* **Teachers & Facilitators:** Develop classroom guidance lessons, parent and student workshops, and one-on-one support
Financial Aid Toolkit - Overview

- Launched in December 2013

- Online “one-stop shop” for counselors with information about financial aid, a searchable database of resources, and outreach tools

- Includes resources in Spanish and information for parents

Financial Aid Toolkit – Search Function

I AM LOOKING FOR

- Resource Type
  - All
  - Glossaries
  - Handouts
  - How-To Guides
  - Infographics
  - Presentations
  - Public Service Announcements
  - Social Media Content
  - Templates
  - Videos
  - Web Resources and Tools
  - Webinars and Audio Files
- DONE SELECTING

TO HELP

- Audience Type
  - All
  - Middle School Students
  - High School Students
  - Adult Students
  - Current College Students
  - Graduate or Professional Students
  - Parents
  - Military Families
  - Federal Student Loan Borrowers
  - Spanish Speakers
  - Middle School Counselors
  - High School Counselors
  - College Access Professionals
  - Community-Based Organizations
- DONE SELECTING

LEARN ABOUT

- Topic
  - All
  - College Preparation
  - Types of Aid
  - Eligibility
  - FAFSA
  - 2017–18 FAFSA
  - FSA ID
  - Receiving Aid
  - Loan Repayment
  - Financial Literacy
  - Consumer Protection
  - Hosting a Financial Aid Event
  - Using Federal Student Aid Resources
- DONE SELECTING
Financial Aid Tools in the College Decision Process

Deciding where to apply
- College Scorecard
- Net Price Calculators

Deciding where to attend and how to pay for college
- Early FAFSA
- Financial Aid Award Package Review & Comparison
- Estimated Bill Options Including Loans
University of California-San Diego
La Jolla, CA
24,801 undergraduate students
ucsd.edu

Average Annual Cost
$14,136

Graduation Rate
86%

Salary After Attending
$59,000

To view College Scorecards, visit https://collegescorecard.ed.gov/.
To view College Scorecards, visit [https://collegescorecard.ed.gov/](https://collegescorecard.ed.gov/).
Financial Aid & Debt

Students Paying Down Their Debt

46%

Get Help Paying for College
Submit a free application for Federal Student Aid. You may be eligible to receive federal grants or loans.

START MY APPLICATION

Students Receiving Federal Loans

41%

At some schools where few students borrow federal loans, the typical undergraduate may leave school with $0 in debt.

Typical Total Debt

$19,000

For undergraduate borrowers who complete college

Typical Monthly Loan Payment

$195/mo

To view College Scorecards, visit https://collegescorecard.ed.gov/.
Online tools that provide students with early, individualized estimates of college costs & financial aid

Almost half of students continue to look at “sticker price” when considering colleges instead of costs after subtracting financial aid.*


Given shift to Early FAFSA, limited time to hold “Financial Safety School” in-person conversations with HS seniors

uAspire’s Program will shift so that these conversations can take place during Spring of Junior year moving forward

We will use EFC calculator, NPCs, and 5+ years of award letter collection data to determine affordability

Tool to direct students to in our virtual advising work

In absence of other, more accurate tools, helpful starting point

Helps uncover potential challenges for senior year form completion

Provides introduction to language used in process and intro to college websites
Tips for Using NPCs

TIPS for STUDENTS

* Have family financial information ready
* Focus on the “net price/cost”
* Be wary of unrealistic estimates of self-help (work and loans)

TIPS for PRACTITIONERS

* Dissect results and terminology
* Provide next steps: contact information for schools’ financial aid offices, scholarship resource lists, etc.
* Respect emotions that may occur

Keep in mind:

- Results are estimates, not final aid awards
- NPCs don’t take the place of a financial aid application
- Estimates apply to a particular year; costs may be different in later years.
- The difference between grants, loans, and work-study

See more tips and TICAS’ NPC research at [http://www.ticas.org/NPC_resources.vp.html](http://www.ticas.org/NPC_resources.vp.html)
FAFSA Updates for 2018-19

- Students will be able to submit their FAFSAs starting Oct 1, using “prior-prior year” data (2016 income).

- IRS Data Retrieval Tool (DRT) should be restored by Oct 1, 2017 so students can electronically transfer their IRS data into the FAFSA.
  - Data will be hidden during the transfer process.
  - IRS will mail letters when tax information is accessed through DRT.
  - Also, for the first time, you can use the DRT even if you think you filed an amended tax return.

For more information, see https://financialaidtoolkit.ed.gov/tk/learn/fafsa/updates.jsp.
## Impact of Early FAFSA: Counselor Considerations

<table>
<thead>
<tr>
<th>Key Takeaways from Year 1</th>
<th>uAspire’s Intended Programmatic Changes in Light of Early FAFSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Mad rush to file FAFSA w/out clear college lists:</td>
<td>* Must begin building college lists in Junior yr.</td>
</tr>
<tr>
<td>Original college lists were ill-prepared and constantly being updated - even through AL</td>
<td>* Must revisit college list at every student meeting. &quot;Is this</td>
</tr>
<tr>
<td>review and comparison. Most students had trouble remembering that the FAFSA college</td>
<td>still your list?&quot; – Must remind them to add to college list on</td>
</tr>
<tr>
<td>list needed to be updated as their list was changed</td>
<td>FAFSA as needed</td>
</tr>
<tr>
<td>* EFC realization – discouragement early on</td>
<td>* Rely on “Next Steps Workshops” to make it click for students</td>
</tr>
<tr>
<td>* Variation of AL timing: We saw some colleges accept and award students earlier, while</td>
<td>that the FAFSA (esp. college lists) may need to be updated even</td>
</tr>
<tr>
<td>others replicated previous timelines</td>
<td>in light of PPY</td>
</tr>
<tr>
<td>* Students seemed swayed into depositing earlier: Some ALs implied students need to</td>
<td>* Begin discussing financial fit in Junior year</td>
</tr>
<tr>
<td>make final decisions earlier than May 1</td>
<td></td>
</tr>
<tr>
<td>* Educate our students about the May 1&lt;sup&gt;st&lt;/sup&gt; timeline and help them fight urge to</td>
<td>* We introduce the concept of AL review and comparison much</td>
</tr>
<tr>
<td>deposit prior to receiving and reviewing ALL ALs</td>
<td>earlier and make space for these review sessions from Dec</td>
</tr>
<tr>
<td></td>
<td>through May</td>
</tr>
<tr>
<td></td>
<td>* Must teach about estimated/tentative ALs</td>
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- Mad rush to file FAFSA w/out clear college lists:
- Original college lists were ill-prepared and constantly being updated - even through AL review and comparison. Most students had trouble remembering that the FAFSA college list needed to be updated as their list was changed.

- EFC realization – discouragement early on
- Variation of AL timing: We saw some colleges accept and award students earlier, while others replicated previous timelines.
- Students seemed swayed into depositing earlier: Some ALs implied students need to make final decisions earlier than May 1.
# Impact of Prior Prior Year: Counselor Considerations

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<th>Key Takeaways from Year 1</th>
<th>uAspire’s Intended Programmatic Changes in Light of PPY</th>
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</thead>
<tbody>
<tr>
<td>* PPY via the *IRS DRT increased and simplified FAFSA completion</td>
<td>* Continue to stress usage of IRS DRT for the 18-19 FAFSA as of 10/1/17</td>
</tr>
<tr>
<td>* Verification remains a huge burden for our students &amp; families</td>
<td>* Create awareness that info transferred from the DRT will not be viewable by students and parents for security purposes</td>
</tr>
<tr>
<td>* Non-alignment of 2015 tax info and the current fiscal reality for students/parents</td>
<td>* Must motivate students to review SAR even when no need to make updates in order to give first warning of verification (if selected)</td>
</tr>
<tr>
<td></td>
<td>* Will increase use of text reminders for students to be on the lookout for Verification requests and to visit with their Advisors regularly even after the FAFSA is submitted</td>
</tr>
<tr>
<td></td>
<td>* Must educate students as what a “significant income change” really means</td>
</tr>
<tr>
<td></td>
<td>* Must support students as they reach out to colleges about this process as each college has been responding differently – must help them organize next steps and to-dos</td>
</tr>
</tbody>
</table>
Financial Aid Award Letters

* Great variation in what information is included and how it is presented
  * Many don’t include the full cost of attendance
  * Many don’t calculate the “net price”
  * Many group grants, loans, and work-study together

* Students may be confused by jargon and unexplained abbreviations
$0 “unmet estimated costs” assume over $17,000 of borrowing for one year

Doesn’t calculate net price, but it’s actually $20,014 (not $0).
Previous Data (Junior Year through Fall of Senior Year)

- Review past award letter data, use trends to help build college lists with Financial Safety Schools
- Share trends with students, practitioners, and districts

Review & Collection (*Dec - June)

- Award letter review and conversations
  - 1:1 with advisors, walk through, using uAspire Award Letter Analyzer
  - Support with appeals process, if applicable
  - Always couple with next steps and resources
  - *Note that given Early FAFSA, award letters are arriving on an expanded timeline
- Award letter collection
Financial Aid Award Letter Review
Best Practices for Counselors

- **Practice:** prepare students and families ahead of time
- **Provide** glossary of terms to the students
- **Analyze** and **Compare** award letters with student and families
- **Broker** communication with colleges
- **Support:** encourage students and families to ask you questions, be present for conversations
- **Collect** data to analyze trends
Helpful tools for comparing award letters:

- uAspire Award Letter Analyzer (PDF included here; Electronic version available via uAspire’s training offerings)


How to Provide Support on Estimated Bill Options

- First – Savings, Tuition Payment Plans, summer work, outside scholarships
- Second- Loans
  - “Which loan would you suggest?”
    - Begin with: we are not loan experts or providers
  - Create awareness of Parent PLUS
    - Look for schools who package this. Why is packaging this loan a challenge?
    - Apply Must accept
  - Explain Subsidized and Unsubsidized
  - Norm using federal loans (smartest) and caution on private loans
* TICAS resources
  * Federal Student Loan Terms for 2017-18
  * [http://projectonstudentdebt.org](http://projectonstudentdebt.org)

* Helpful resources from the Department of Education:
  * Information on [Studentaid.gov](http://studentaid.gov), including about income-driven repayment plans ([http://studentaid.gov/idr](http://studentaid.gov/idr))
  * Videos
  * Repayment estimator
#联邦学生贷款金额和条款

**年度贷款限额**

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>联邦生贷</strong> (undergraduate students on the basis of financial need)</td>
<td><strong>联邦生贷</strong> (undergraduate students on the basis of financial need)</td>
</tr>
<tr>
<td><strong>Subsidized Stafford Loan</strong></td>
<td><strong>Unsubsidized Stafford Loan</strong></td>
</tr>
<tr>
<td>Available only to undergraduate students on the basis of financial need.</td>
<td>Available to undergraduate and graduate students regardless of financial need.</td>
</tr>
<tr>
<td>No credit check required. The federal government covers the interest on these loans while borrowers are enrolled at least half time and for six months after they are no longer enrolled at least half time.</td>
<td>No credit check required. Interest is charged throughout the life of the loan.</td>
</tr>
<tr>
<td>Monthly payments are not required until six months after leaving school.</td>
<td>Monthly payments are not required until six months after leaving school.</td>
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**年度贷款限额**

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<thead>
<tr>
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<tbody>
<tr>
<td><strong>独立本科学生（24岁或以上）和依赖学生</strong> (students age 24 or older and dependent students whose parents are unable to obtain PLUS Loans)</td>
<td></td>
</tr>
<tr>
<td>$9,500 as freshmen (including up to $3,500 subsidized); $10,500 as sophomores (including up to $4,500 subsidized); $12,500 as juniors and seniors (including up to $5,500 subsidized).</td>
<td></td>
</tr>
</tbody>
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**年度贷款限额**

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<tbody>
<tr>
<td><strong>研究生学生</strong></td>
<td></td>
</tr>
<tr>
<td>$20,500 (or $40,500 for certain medical training).</td>
<td></td>
</tr>
</tbody>
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**年度贷款限额**

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<tr>
<td><strong>依赖学生</strong> (undergraduate students)</td>
<td><strong>独立本科学生</strong> (students age 24 or older) and <strong>依赖学生</strong> (students whose parents are unable to obtain PLUS Loans)</td>
</tr>
<tr>
<td>$31,000.</td>
<td>$138,500 (or $224,000 for certain medical training) including undergraduate borrowing.</td>
</tr>
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</table>

**利率**

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</thead>
<tbody>
<tr>
<td>The interest rate for <strong>联邦生贷</strong> loans, both subsidized and unsubsidized, is 4.45%. Rates are fixed for the life of the loan. (See page 2 for how interest rates are determined.)</td>
<td>The interest rate for unsubsidized <strong>联邦生贷</strong> loans made to graduate students is 6.00%. Rates are fixed for the life of the loan. (See page 2 for how interest rates are determined.)</td>
</tr>
</tbody>
</table>
Repayment Estimator

- Enter specific loan information (can be hypothetical), use average loan balances, or import your actual loan data.
- Enter tax filing status, income, family size, state of residence
- View estimated payments under different repayment plans (see screenshot on next slide)
- http://studentaid.gov/repayment-estimator
### Repayment Estimator (Excerpt)

<table>
<thead>
<tr>
<th>Plan</th>
<th>Estimated Payments</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard</strong></td>
<td>$288 - $288/month</td>
<td>You will pay a total of $34,524 over 120 months</td>
</tr>
<tr>
<td><strong>Graduated</strong></td>
<td>$166 - $498/month</td>
<td>You will pay a total of $37,150 over 120 months</td>
</tr>
<tr>
<td><strong>Revised Pay As You Earn (REPAYE)</strong></td>
<td>$99 - $396/month</td>
<td>You will pay a total of $50,725 over 233 months</td>
</tr>
<tr>
<td></td>
<td></td>
<td>First Monthly Payment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$99</td>
</tr>
<tr>
<td><strong>Pay As You Earn (PAYE)</strong></td>
<td>$99 - $288/month</td>
<td>You will pay a total of $49,848 over 240 months</td>
</tr>
<tr>
<td><strong>Income-Based Repayment (IBR)</strong></td>
<td>$149 - $288/month</td>
<td>You will pay a total of $41,810 over 175 months</td>
</tr>
</tbody>
</table>

* Sample estimated payments ($25,000 in unsubsidized Stafford loans, 6.8% interest rate, single, $30,000 AGI)

* Can expand sections for more details on each plan

[http://studentaid.gov/repayment-estimator](http://studentaid.gov/repayment-estimator)
Q&A / Discussion

* What are the biggest challenges or opportunities you see with early FAFSA?

* What are the biggest challenges you face with helping students interpret award letters?

* What are the biggest challenges or misunderstandings you encounter when talking to students about borrowing?

* What other tools and/or resources would you find helpful to have?
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