

Financial Aid

What is financial aid?

Simply put, it is money in the form of scholarships, grants and loans to help you pay for college. Financial aid can make it possible for you to go to college even if you and your family cannot afford the full cost of tuition, room and board. You will need to complete one or more forms to apply for these monies.

The types of financial aid are:

- * Grants and scholarships — money that you don't have to pay back.
- * Federal work-study — money you must work to earn.
- * Loans — money that you borrow but you must pay back.

Based on financial information you provide, colleges will determine how much financial aid to offer you. This may take the form of grants, scholarships or work-study. You may need to supplement this amount with loans. In addition, other scholarships might be available from local civic organizations, businesses and foundations that you can apply for separately.

The federal financial aid programs described below are for citizens and U.S. residents. However, financial aid options, although limited, are available to non-citizens. Spend time with your high school guidance counselor to discuss which colleges have scholarships and services for undocumented students, such as CUNY's Peter Vallone Scholarship.

Grants and Scholarships

Grants from the Tuition Assistance Program (TAP)

If you plan to attend college within New York State, the Tuition Assistance Program (TAP) can provide grant money to help offset the cost of your college expenses. You can apply for a TAP grant using either an online or paper application. If you complete your FAFSA online, you will be able to link to an online TAP application where you can register for a PIN (personal identification number) that allows you to access your information in the future and electronically sign your applications.

If you decide to complete a paper TAP application, the Higher Education Services Corporation (HESC) will mail you an Express TAP Application (ETA) approximately three weeks after you submit the FAFSA. This application will arrive preprinted with relevant information taken from your FAFSA. Be sure to review the ETA for errors, and then sign and submit it as quickly as possible. You will receive a TAP grant only if you submit the application. For more information, visit www.hesc.com.

Scholarships

Privately funded scholarships are a great way to reduce the amount of tuition and fees that you and your family have to pay, as well as lower the amount of loans the college expects you to take out to help cover the cost of tuition. While all federal and state financial aid is based upon your family's financial need, private scholarships can be either need- or merit-based.

Many organizations offer scholarships to students with particular talents in areas such as academics, sports, visual and performing arts, leadership and community service. Check with your adviser during your junior and senior years to learn about the scholarships available to students at your school. Also check with businesses in your neighborhood and ask your parents or guardians to inquire if their employers offer scholarship programs.

Also ask the financial aid offices at the colleges to which you are applying what they offer for scholarships and student work programs.

Financial aid and academic support: HEOP, EOP, SEEK and more

A number of state- and city-funded programs provide financial aid and academic support called “opportunity programs” to New York City students who are economically disadvantaged:

- Higher Education Opportunity Programs (HEOP), available through many private colleges
- Educational Opportunity Program (EOP), available through New York’s public colleges
- College Discovery (CD) and the Search for Education, Elevation and Knowledge (SEEK), available to students attending a CUNY school.

Where to Begin?

Fill out FAFSA

To apply for any type of financial aid at any college in the United States, you must fill out the Free Application for Federal Student Aid (FAFSA). The FAFSA is used to calculate how much your family can afford to pay for college.

This form is available from your high school guidance counselor or through www.fafsa.ed.gov. During your senior year of high school you should plan to submit your FAFSA application as soon as possible after Jan. 1.

Tax return information

The FAFSA asks for information from your parents’ tax returns. For you to submit the FAFSA form on time, your parents will need to complete their tax forms in January.

If you cannot obtain your parents’ tax information, follow the special instructions in the FAFSA application.

If your parents cannot process their tax forms in January and their income has not changed significantly from the previous year, they can use the estimated tax information based on their previous year’s forms.

Determining aid and eligibility

Based on the information you provide in the FAFSA, the federal government calculates your Estimated Family Contribution (EFC). The federal government then creates a Student Aid Report (SAR) and sends it to you to review for errors. Once you sign and return it, your SAR is sent to all the colleges you listed on the FAFSA as schools you are interested in attending.

Each college that receives your information will use it to create a financial aid package based on your family’s financial need. However, some of the colleges on your list will not have enough money to meet 100 percent of your financial need. Be sure to apply to a variety of colleges so that you can compare the financial aid packages you receive from each one.

All of the colleges to which you apply will use the SAR to determine your eligibility for the various types of federal financial aid, such as PELL grants, Federal Supplemental Education Opportunity Grants (FSEOG), Federal Work-Study (FWS), Stafford, Perkins and Parent PLUS loans. If you are interested in applying to college within New York State, the financial information you listed on your FAFSA will also be used to determine your eligibility for state financial aid opportunities like the Tuition Assistance Program (TAP).

Additional forms required by some colleges

Some colleges will require more detailed information about your family's financial situation than what appears in the FAFSA. They may also have you fill out their own financial aid form and/or the College Scholarship Service (CSS) Profile form.

Read the information you receive from colleges carefully so you know what is required. Unlike the FAFSA, you have to pay a fee for each college to which your CSS Profile is sent. Go to www.profileonline.collegeboard.com for more information on which colleges require this additional financial aid form.

Loans

Public and private loans

Loans are available from the government and regular banks. Government loans are called Stafford, Perkins or Parent PLUS loans. Regular bank loans are also called private loans since they are given by private banks. Government loans differ from regular bank loans because they have lower interest rates, and government subsidies will pay the interest on Stafford loans while you are in college.

Your eligibility for loans is based on your family's financial need, determined from your FAFSA form. You will probably see one or more loans in your financial aid package. However, you will receive money for any private loans only if you indicate that you really want a loan by filling out and submitting a separate loan application.

What you should know about loans

Student loans can be instrumental in making college education affordable, but remember that all loans must be paid back. Usually you do not have to start paying on your loans until you either graduate or leave college for an extended period of time. Before taking out a loan, make sure that you and your family understand the exact conditions.

Subsidized loans

The federal government pays or "subsidizes" the interest on your loans while you are in college. This reduces the amount of money you have to pay back over the life of your loan. A subsidized loan is awarded on the basis of financial need.

Grace period

All student loans have a six- to nine-month grace period between the time you leave college and the time you must start paying back your loans. Even if you do not graduate from college, you will still be expected to repay your loans. The repayment period for parent loans begins shortly after the loan is disbursed.

Loan deferment

If you have an emergency that prevents you from repaying your loan, you can request a temporary loan deferment so that you do not have to make your loan payments during this time. You must apply and be approved before you can qualify for a loan deferment.