

## General Financial Aid Overview

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### HOW FINANCIAL AID WORKS



### TYPES OF FINANCIAL AID

Adult learners can access various forms of aid, including federal and state grants, scholarships, work-study programs, and loans. There are also specific programs and benefits for veterans and military personnel.

- 1. Grants:** Typically need-based aid that does not have to be repaid. Common grants include Pell Grants and state grants.
- 2. Scholarships:** Merit-based or need-based aid that does not have to be repaid. Scholarships can come from the school, private organizations, or community groups.
- 3. Loans:** Money that must be repaid with interest. Types of federal student loans include
  - **Direct Subsidized Loans:** Loans for which the government pays the interest while you're in school.
  - **Direct Unsubsidized Loans:** Loans where interest accrues while you're in school.
  - **Direct PLUS Loans:** Loans available to parents or graduate students with a credit check.
- 4. Other Aid:** Any additional aid specific to your situation or program.

# WHAT DOES FINANCIAL AID COVER?

Financial aid can cover a range of educational expenses, but the specific types and amounts depend on the aid you receive and your institution's policies. To fully understand what your financial aid covers, review your award letter and speak with your school's financial aid office for detailed information on your specific aid package and how it applies to your costs. Here's a breakdown of what financial aid typically covers:



## Housing and Food

**Housing:** The cost of housing, whether you live on-campus or off-campus. For on-campus housing, this usually includes dormitory fees.

**Food:** The cost of meals, whether provided by a meal plan on campus or through your own food expenses if you live off-campus.



## Tuition and fees

**Tuition:** The cost of enrolling in courses at your institution. This is often the largest expense and can vary significantly depending on the school and whether you're an in-state or out-of-state student.

**Fees:** These include registration fees, lab fees, technology fees, and other mandatory charges associated with your education.



## Books and supplies

**Books:** The cost of required textbooks and other course materials.

**Supplies:** This can include items like notebooks, stationery, calculators, and other educational supplies.

**Note:** The financial aid disbursement date may not align with your deadlines for purchasing books and other school supplies, so you may have to pay out of pocket for some supplies upfront.



## Personal expenses

**Personal items:** Costs associated with your day-to-day living, such as clothing, personal hygiene products, and other miscellaneous expenses.

**Transportation:** Expenses related to commuting to and from school, including public transportation or vehicle costs.



## Other education-related expenses

**Equipment:** For certain programs, you might need to purchase specific equipment or software (e.g., a computer for online courses or a camera for a photography class).

**Childcare:** If you have dependent children, some financial aid programs can help with childcare costs while you're in school.

## LIMITATIONS AND CONSIDERATIONS

- **Aid limits:** Financial aid may not cover all your expenses. Some aid types have caps or limits, and you may need to cover any remaining costs through personal funds, additional loans, or payment plans.
- **Eligibility:** Your eligibility for different types of aid can affect how much of your cost of attendance is covered. For example, not all students qualify for work-study or every type of loan.

# APPLYING FOR AID

## FSA ID

The FSA ID is a username and password combination you use to log in to U.S. Department of Education (ED) online systems. To create a FSA ID, visit [studentaid.gov/fsa-id/create-account/launch](https://studentaid.gov/fsa-id/create-account/launch).

## FAFSA

To apply for federal financial aid, you need to complete the Free Application for Federal Student Aid (FAFSA). You can do this online at [studentaid.gov](https://studentaid.gov) or by mailing a paper form. Be sure to apply early and check for specific deadlines for federal, state, and institutional aid.

To confirm that your FAFSA is complete and properly submitted, follow these steps:

### 1. Check Your Email for Confirmation

After you submit your FAFSA online, you should receive a confirmation email. This email will confirm that your FAFSA was received and processed. It will include a confirmation number and instructions for next steps.

### 2. Review Your Student Aid Report

- **Access Your Student Aid Report (SAR):** Log in to your FAFSA account at [studentaid.gov](https://studentaid.gov) and check for your SAR.
- **SAR:** The SAR summarizes the information you submitted and provides your Student Aid Index. It will also indicate if there are any issues with your FAFSA or if additional information is required.

### 3. Check Your FAFSA Status Online

- **Log In to Your FAFSA Account:** Go to [studentaid.gov](https://studentaid.gov) and log in using your FSA ID.
- **View Your Application Status:** In your FAFSA dashboard, you can check the status of your application. It should show whether your FAFSA has been processed and if there are any outstanding issues.

### 4. Verify School Receipt

- **Contact Schools:** Confirm with the schools listed on your FAFSA that they have received your information. Each school may have its own process for confirming receipt of FAFSA data.
- **Check Financial Aid Portal:** Some schools have online portals where you can check the status of your financial aid application and see if additional documents are required.

### 5. Look for Requests for Additional Information

If there are any issues with your FAFSA or if additional information is needed, you'll be notified through your SAR or by the financial aid offices of the schools you've applied to. Respond promptly to any requests to avoid processing delays.

### 6. Check for Corrections

If you notice any errors on your SAR or receive notifications about corrections needed, you can update your FAFSA information online. After making changes, ensure you resubmit your FAFSA.

### 7. Keep Track of Deadlines

Ensure your FAFSA is completed and submitted by federal, state, and institutional deadlines to be considered for all available aid.

If you encounter any issues or need further assistance, you can contact the Federal Student Aid Information Center (FSAIC) or the financial aid office at your school.

If you realize you made a mistake on your FAFSA after submission, you can log in to your FAFSA account and make corrections. Submit the corrected information as soon as possible to avoid any delays in processing your aid.

## VERIFICATION

Verification is a process used by the U.S. Department of Education and financial aid offices to ensure the accuracy of the information submitted on your FAFSA. Here's what you need to know about FAFSA verification and how to handle it:

### 1. What is verification?

Verification is a quality control process where financial aid offices review the information you provided on your FAFSA to ensure its accuracy. If selected for verification, you may be asked to provide additional documentation to confirm the information on your application.

### 2. Why might I be selected for verification?

You might be selected for verification due to:

- **Random Selection:** Sometimes, FAFSA applications are randomly selected for verification.
- **Inconsistencies:** If there are discrepancies between your FAFSA and other documents (like tax returns or W-2s), your application may be flagged.
- **Incomplete Information:** Missing or incomplete information can also trigger verification.

### 3. How to know if you're selected for verification

- **SAR:** If you are selected, your SAR will indicate that you need to provide additional documentation.
- **Financial Aid Office:** The financial aid office at your school will also notify you if you're selected for verification and provide instructions on what documents are needed.

### 4. Steps to take if selected for verification

- Gather Required Documents:
  - **Tax Documents:** Usually, you'll need to provide a copy of your and/or your parents' (if applicable) federal tax returns or a tax return transcript from the IRS.
  - **W-2 Forms:** Provide copies of all W-2s and other income documents.
  - **Verification Worksheet:** Some schools require you to complete a verification worksheet, which is available from the school's financial aid office.
  - **Other Documents:** Depending on your situation, you might need to provide additional documents such as proof of identity or statements of untaxed income.
- Submit Documents:
  - **Follow Instructions:** Submit the required documents as directed by your financial aid office. This could be via mail, in person, or electronically through the school's financial aid portal.
  - **Keep Copies:** Always keep copies of the documents you submit for your records.

- Follow Up:
  - **Monitor Your Status:** Regularly check your financial aid portal or contact the financial aid office to ensure all documents have been received and processed.
  - **Respond Promptly:** Address any requests for additional information or clarification quickly to avoid processing.

## 5. Impact of Verification on Your Financial Aid

- **Processing Delays:** Verification can delay the processing of your financial aid. It's important to complete this process as quickly as possible to avoid delays in receiving your aid.
- **Adjustments:** If errors are found during verification, the financial aid office will adjust your FAFSA information accordingly, which may affect your financial aid package.

## 6. Resources for Assistance

- **Financial Aid Office:** Your school's financial aid office is your primary resource for assistance with verification. They can provide guidance on the documents needed and the process for submission.
- **IRS Resources:** If you need tax transcripts or have questions about tax-related documents, visit the IRS website or contact the IRS directly.

# YOUR OFFER LETTER

Understanding your financial aid offer letter is crucial for managing your education finances effectively. Here's a step-by-step guide to help you read and interpret the key components of your offer letter:

## 1. Identify the Basic Information

- **School Name:** Confirm that the offer letter is from the correct institution.
- **Academic Year:** Check the academic year or term that the offer letter covers.

## 2. Review the Cost of Attendance (COA)

The COA (Cost of Attendance) is an estimate of the total cost to attend college for one academic year. It is a combination of direct and indirect costs, and includes the tuition bill. Your financial aid package is typically based on the school's COA, which includes:

- **Tuition and Fees:** The total cost of enrolling in courses.
- **Housing and Food:** If applicable, the cost of on-campus housing and meals.
- **Books and Supplies:** Estimated costs for textbooks and other supplies.
- **Personal Expenses:** Estimated costs for personal items and transportation.
- **Other Expenses:** Any additional costs specific to your program or personal situation.

**Note:** The COA is different from the tuition bill, even though both relate to the overall cost of college. The COA is meant to give you a full picture of what you could potentially spend while you're attending school. The tuition bill is the actual amount you will pay the school each semester for your classes. The tuition bill typically includes:

- The cost per credit hour
- Mandatory fees (for things like student services or labs)

### 3. Understand the Types of Aid Offered

Your offer letter will list the different types of financial aid you're eligible for.

### 4. Examine the Award Amounts

For each type of aid, the offer letter will specify:

- **Award Amount:** The total amount offered for the academic year or term.
- **Disbursement Schedule:** When and how the aid will be distributed (e.g., per semester, per year).

### 5. Check the acceptance instructions

- **Acceptance/Decline:** Follow instructions on how to accept, decline, or adjust each type of aid. You may need to log in to your student portal or respond directly to the financial aid office.
- **Required documents:** Ensure you provide any additional documents or complete any steps required to finalize your aid.

### 6. Review Your Student Aid Index

The Student Aid Index is the amount you are expected to contribute towards your education. This figure is used to determine your financial need.

### 7. Calculate Your Net Cost

To determine the net cost, subtract the total amount of financial aid from the COA to determine the remaining amount you need to cover. This helps you understand how much you will need to pay out-of-pocket or if you should secure additional funding.

### 8. Understand Your Responsibilities

- **Repayment:** For loans, review the terms and conditions of repayment, including interest rates, repayment schedules, and any deferment options.
- **Satisfactory Academic Progress (SAP):** Many forms of aid require you to maintain a certain GPA or complete a specific number of credits each semester.

## COMMON QUESTIONS

#### Can I receive financial aid if I'm attending school part-time?

Yes, many forms of financial aid are available for part-time students, but the amount and type may vary. It's important to check the specific requirements and eligibility criteria for each type of aid.

#### How does my income affect my financial aid eligibility?

Financial aid eligibility is often based on your income and financial situation, which is reported on the FAFSA. Different formulas and considerations apply, depending on the type of aid.

## What if my financial situation changes?

If your financial situation changes significantly after submitting your FAFSA (e.g., due to job loss or medical expenses), contact your school's financial aid office. They can review your situation and possibly adjust your financial aid package based on your new circumstances.

## How do I apply for scholarships?

Scholarships can be applied for through various sources:

- **Institutional Scholarships:** Apply through the Office of University Scholarships.
- **Private Scholarships:** Look for scholarships from organizations, businesses, or community groups. Use scholarship search engines and databases for additional opportunities.
- **Local Opportunities:** Check with local community organizations or foundations for scholarships available in your area.

## Can I receive financial aid if I have previous student loans?

Yes, you can still receive financial aid even if you have existing student loans. However, your eligibility might be affected by your previous loan history, including any defaults or repayment.

## What if I have a low credit score?

For certain types of financial aid, like federal student loans, your credit score does not affect your eligibility. However, private loans might consider your credit history, so exploring federal aid options first is usually advisable.

## What is the difference between the Cost of Attendance and Tuition Bill?

The COA (Cost of Attendance) is different from the tuition bill, even though both relate to the overall cost of college. The COA is an estimate of the total cost to attend college for one academic year. It is a combination of direct and indirect costs, and includes the tuition bill. The COA is meant to give you a full picture of what you could potentially spend while you're attending school.

Your financial aid package is typically based on the school's COA, which includes:

- Tuition and fees
- Housing and Food
- Books and supplies
- Personal expenses
- Other expenses

Your financial aid package is typically based on the school's COA, which includes:

- The cost per credit hour
- Mandatory fees (for things like student services or labs)

## **How do I appeal my financial aid award?**

If you believe your financial aid award is incorrect, or if your circumstances have changed, you can appeal to your school's financial aid office. Provide detailed information and any supporting documents to explain why you believe your award should be adjusted.

## **How do I manage my financial aid and budget while going back to school?**

It's important to create a budget that includes tuition, books, and other expenses. Financial aid offices often provide resources and advice on managing your finances while studying.

## **When will I receive my financial aid?**

Financial aid disbursement dates vary by school. Typically, aid is disbursed at the beginning of each term or semester. Check with your school's financial aid office for specific dates and procedures. The aid disbursement date may not align with your deadlines for purchasing books and other school supplies, so you may have to pay upfront for some supplies out of pocket.

## **What is satisfactory academic progress (SAP)?**

SAP stands for "satisfactory academic progress." Federal regulations require that schools monitor the academic progress of each financial aid recipient to ensure they are making satisfactory academic progress toward earning their degree or certificate. Financial aid recipients must maintain satisfactory progress in the three areas listed below:

- Cumulative GPA
- Hours earned
- Maximum time limit

Students must maintain the minimum cumulative GPA indicated for satisfactory progress toward graduation requirements. These standards are consistent with the academic standards required for graduation. The total hours earned at App State plus the accepted hours transferred from other institutions for undergraduate students who have attempted 65 or more semester hours must have a cumulative GPA of at least 2.0.

## **What happens if I don't maintain SAP?**

Financial aid often requires you to maintain satisfactory academic progress, including a minimum GPA and a certain number of completed credits. If you fall below these standards, you may be placed on financial aid probation or have your aid suspended. Contact your financial aid office for information on how to appeal or regain eligibility.

## **Is there an age limit for receiving federal student aid?**

No, there's no age limit. Almost everyone is eligible for some type of federal student aid. The adult student still needs to complete the FAFSA form and meet deadlines, just like any other student.



### **If I received a Federal Pell Grant before, can I receive one again?**

Yes, if you have not already earned a bachelor's degree, you may be eligible for Federal Pell Grant funds again. However, Pell Grants can be received for no more than 12 terms or the equivalent (roughly six years). You can check if you are close to the limit by logging in to the "My Aid" section of StudentAid.gov.

### **How much aid should I take out?**

It depends. Students should utilize Pell Grants, scholarships, and other aid first. If that isn't enough, then borrow loans to cover your direct costs.

### **Can I get financial aid for summer courses?**

Yes, financial aid is available for summer courses, but it may depend on your remaining eligibility from the academic year. Notify the financial aid office if you plan to take summer courses so they can advise you on your options.

### **If I exceed my Pell and loan limits, are there alternative student loans available?**

Yes, but make sure to research private or alternative loans. Many lenders have different interest rates, fees, and terms. North Carolina offers an alternative education loan through our state-based nonprofit, College Foundation, Inc. — NC Student Assist Loan and NC Assist Parent Loan. These loans have competitive, low fixed interest rates and no fees.

### **Are there forgivable Education Loans for Service available to an adult learner?**

Yes, the Forgivable Education Loans for Service (FELS) program is open to students in North Carolina pursuing specific careers. Funds are available for students working on certificates, associate's, bachelor's, master's, and doctoral degrees. Complete an application for the funds if your career falls into one of the Approved Education Programs (AEP). There are other eligibility requirements, so review the eligibility requirements before you apply.

### **What are the minimum credit hours required for financial aid eligibility?**

For Pell Grants, students must be enrolled in at least 3 credits (less than half-time). For loans at 6 credit hours (half-time).

### **Should I only accept enough aid for this term, or for the whole semester?**

These programs run on 8-week terms. There are two terms in each semester. You should accept aid for the whole semester if you intend to attend both parts of the term. If you are not planning to attend both terms, please discuss this with your financial aid office.