CFS

This sample report reflects a client that is a **financial aid candidate**. The overall objective is to help the client minimize their out-of-pocket college costs **at the school selected** by making informed college planning and funding decisions appropriate for them, based on their financial aid eligibility and particular circumstances. An in-depth understanding of the complexities of planning for financial aid is vitally important to achieve a best outcome. CFS' college-planning software can be instrumental in helping achieving a best outcome for a client that is likely a financial aid candidate.

The first II sections of the report can serve as an excellent **executive summary** for the client. The remaining sections, containing all the detailed strategies and analysis can be **advisor only** or as part of a deliverable at the discretion of the advisor.

Prepared for Catherine

Contents

Section I - How Much Will St. John's University Cost for Catherine?
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Section V - College Savings and Funding Strategies
Section VI - Assumptions Made in Creating This Report
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Section I contains the all-important **BEFORE and AFTER EFC**.

BEFORE - This is the amount the family will be expected to pay toward the cost of college at the school selected before qualifying for any need-based financial aid at that school. This is the all-important starting point for becoming an informed buyer of a college education. By starting with your EFC, the client will have a much better idea as to which schools are REALLY affordable. The EFC calculation is based on the method (FM or IM) used by the school being evaluated and can make a big difference in how much the client will be expected to pay at the school as well as strategies for increasing financial aid eligibility at that school.

AFTER – This is a revised calculation of the EFC based on the implementation of highlighted financial aid enhancing strategies contained in section IV of the report.

Section I

How Much Will St. John's University Cost for Catherine?

According to the latest information available, if **Catherine** starts college in **2 year(s)**, **St. John's University** will have a four-year projected cost of **$264,500** using a **5% annual inflation rate**.

St. John's University uses the **Federal Methodology** to determine your Expected Family Contribution (EFC). Your EFC is what your family is expected to contribute toward the annual cost of attendance, before qualifying for any need-based financial aid. Your current EFC is calculated to be **$32,613**. Implementing the strategies in this plan may help to lower your EFC amount to **$10,004**.

The table below shows the client an estimate of their total family contribution (their EFC plus any unmet financial aid from the school) toward the cost of college for the first year at the school selected. This is their projected "out-of-pocket" cost. The **AFTER** column is based on implementing the strategies highlighted in **Section IV and reveals the extent to which they may be able to increase their financial aid eligibility and reduce their "out-of-pocket" college costs.** All the terms in the table are defined below in Section II

Clients will be amazed to learn that at many of the higher priced schools - particularly private colleges - their actual out-of-pocket costs will be less than many public schools with a lower sticker price. Many schools considered unaffordable may be very affordable when financial aid and financial aid planning strategies are considered.

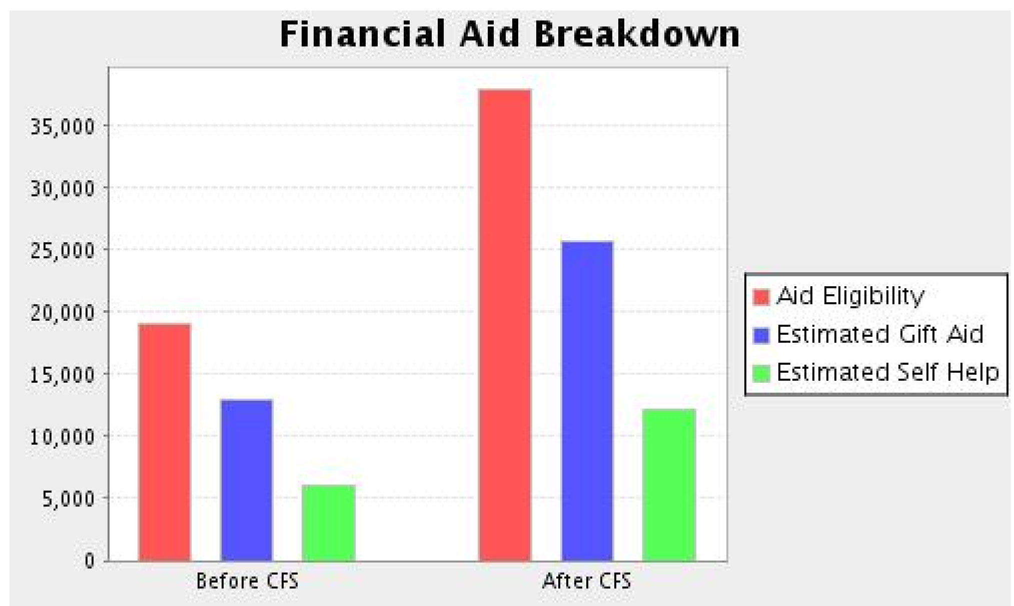
Cost and Financial Aid Summary For St. John's University

Estimated COA	$55,662	
EFC method used by School	Federal Methodology	
Average Need Met %	83%	
Gift Aid %	68%	
Self Help %	32%	
Projected Cost/Financial Aid	**Before**	**After**
Estimated EFC	$32,613	**$10,004**
Unmet Need	$3,918	**$7,761**
Total Family Contribution	**$36,531**	**$17,765**
Financial Aid Eligibility	$19,130	**$37,896**
Estimated Self Help	$6,121	**$12,126**
Estimated Gift Aid	$13,008	**$25,769**

By implementing strategies that can reduce your EFC, you may **increase your financial aid eligibility and reduce your out-of-pocket college costs.** On average, **83% of financial need is met at St. John's University**. Of the percentage of need met, **68%** is met with grants and scholarships (referred to as Gift Aid because it doesn't have to be paid back), while **32%** is loans/work study (referred to as Self

Help). Your current estimated financial aid eligibility is **$19,130** (**$13,008** from Gift Aid and **$6,121** from Self Help).

Tip: You may be able to increase your financial aid eligibility to **$37,896** (**$25,769** from Gift Aid and **$12,126** from Self Help) through the implementation of financial aid enhancing planning strategies.



Section II

Important Terms You Need to Know to Become an Informed Buyer of a College Education

COST OF ATTENDANCE (COA) at a school is determined for each college by totaling the costs for tuition and fees, room and board, books and supplies, personal expenses and travel.

UNMET NEED is the amount of financial need that the school will not meet. For example if the school's COA is $20,000, your EFC $10,000 and the average need met is $5,000 (50%), then there is an additional $5,000 needed to cover the COA. You are responsible for this amount.

The **EFC METHODOLOGY** indicates whether the school in question uses the Federal Methodology (**requires the FAFSA**) or Institutional Methodology (**requires PROFILE**) to determine your financial need.

TOTAL FAMILY CONTRIBUTION is equal to the EFC plus any unmet need.

The **AVERAGE NEED MET** is the amount of your total need that the school is most likely to meet. Data is based on incoming freshman the previous year.

FINANCIAL AID ELIGIBILITY is calculated by subtracting the EFC from the COA (which is the financial need amount) and multiplying this by the **AVERAGE NEED MET** percentage at the school.

GIFT AID % is the percentage of the need that the school will meet in the form of scholarships, grants etc. This is money that will not have to be paid back to the school. This percentage is based on incoming freshman the previous year.

ESTIMATED SELF-HELP is determined by applying the self-help % to the financial aid eligibility total. This is a forecast of the amount that you may receive in the form of Self-Help (loans and work-study).

SELF HELP % is the amount of need that the school will meet in the form of loans and work-study. This percentage is

based on incoming freshman the previous year.

ESTIMATED GIFT AID is determined by applying the gift aid % to the financial aid eligibility total. This is a forecast of the amount that you may receive in the form of Gift Aid (grants and scholarships).

ESTIMATED EFC is your Expected Family Contribution amount (**EFC**), using either FM or IM, depending on what the school requires. Both the initial (based on data provided on data form) and adjusted EFC (after applying EFC reduction strategies) are shown.

Section III - The reports include scholarships (free money) the student is eligible for at the school of choice and how to obtain them! The scholarship information is based on the student's academic profile. In addition to revealing the scholarships that the student may already qualify for, CFS will include additional scholarships that the student may qualify for by increasing test scores, GPA, etc. This additional information can help the family decide if investing in test preparation courses may be a prudent decision.

The scholarship information enhances your ability to help the client leverage merit-based (based on academic performance) scholarships (free money) from the school to minimize their out-of-pocket costs! With this content in the reports, you can further help your clients save ON the cost of college.

Section III

Merit Scholarships for Catherine at St. John's University

College Scholarships

Based on the student's academic profile: SAT/ACT scores, GPA, Class Rank, etc., following are merit money opportunities at **St. John's University** that Catherine may qualify for. These scholarship/grants do not have to be paid back, are based on the merit of the student and can help to significantly reduce the family's out-of-pocket college costs.

Saint John's University- Queens - Presidential Scholarship	
Eligible Based On Supplied Information: **Yes**	
Amount: $30,000.00	
Min GPA: 3.5	Essay Required: No
Min SAT: 1250	Interview Required: No
Min ACT: 27	Audition Required: No
Min Class Rank: not available	Specified Majors:
Scholarship Deadline: 2013-1-15	For Minority: No
Renewable: Yes	Is Limited: No
Notes To Renew: Maintain 3.0 GPA	Number Available: Limited
State of Residence:	
Notes: Eligibility is based on overall strength of the academic pool.	

Section IV includes strategies that this client can implement – based on their particular circumstances – that can help to **maximize their financial aid eligibility** and minimize their out-of-pocket college costs. The effects of implementing the strategies are included, such as the **effect of implementing the strategy on financial aid eligibility at the school selected**. This is vitally important for assessing the costs/benefits of a particular strategy and game plan. The strategies included in this section are selected from our college planning knowledgebase of more than 100 financial aid strategies and are based on the responses to the online form.

For illustration purposes the complete listing of strategies is not included in this sample report

Section IV

Strategies for Increasing Financial Aid Eligibility at St. John's University

In this section, specific strategies are suggested that may be used to decrease your out-of-pocket college costs by decreasing your expected contribution. This may result in financial aid eligibility or increased eligibility (see **Section V**), depending on important factors such as the cost of attendance of the school being considered and the adjusted EFC amount. It is important to note that once the financial aid forms have been completed and submitted, the ability to improve your position is considerably reduced. **Therefore, implementation of the strategies outlined in this section should be completed before the financial aid forms are submitted.** Since the base income year for the family is from Jan. 1 of the student's junior year to Dec. 31 of their senior year, the sooner the financial aid strategies are implemented the better. Any asset strategies need to be executed before the financial aid forms are signed.

In addition to the specific strategies, included in this report are **additional cost cutting strategies** that can also have an impact on your college costs and therefore may be useful for advance planning.

The overall strategy for maximizing your aid eligibility is to leverage the financial aid system in a way that offers the greatest benefits for your family and your student. The following strategies are based on an in-depth understanding of the workings of the financial aid system and how the financial aid formulas will assess the income and assets of the parents and the student in order to determine financial aid eligibility. Each of the strategies offered in this section is intended to provide you with the information needed for you to determine what strategies are available based on your particular situation to help you in your efforts to reduce the cost of college.

Parents

1. Income Strategies

Specific Parent Income Strategies:

This section contains a list of specific income strategies available to you based on the information you submitted on the dataform. Each of these income related strategies might enhance your financial aid eligibility. Where appropriate, examples are included, showing to what extent implementation of the strategy may enhance your aid eligibility at the school you have selected.

Tip: The Income Protection Allowance for the parents is $29,740. This means that the parents are allowed up to $29,740 in income before the income is assessed in the EFC. For example, if the parents' income is $50,000 and the income protection allowance is $40,000 then $10,000 of income will be included in the EFC calculations. Knowing the parents income protection allowance is important to helping them plan for financial aid. In the strategies below, the examples show the benefit to the client from implementing the strategy highlighted.

This strategy is available because you indicated you had a capital gain from the sale of investments. If possible, avoid capital gains during the base years because they inflate your income. If you need cash, consider borrowing from the asset rather than liquidating. This can help in three ways:

1. You won't have to report any gains on the financial aid forms
2. Net value of the asset would be reduced in the EFC formula
3. You would receive a potential tax deduction on the interest expense

Tip: The implementation of this strategy is included to arrive at the **After** Estimate EFC and Total Family Contribution in the table in Section I.

By avoiding a capital gain of $4,123 during the base income years, your financial aid eligibility may increase by $1,479 at St. John's University.

Implementing this strategy may reduce your EFC by $1,782.

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2. Asset Strategies

Specific Parent Asset Strategies

This section contains a list of specific asset strategies available to you based on the information you submitted on the dataform. Each of these asset related strategies might enhance your financial aid eligibility. Where appropriate, examples are included, showing to what extent implementation of the strategy may enhance your aid eligibility at the school you have selected.

Tip: The Asset Protection Allowance for the parents is $41,900. This means that the parents are allowed up to $41,900 in assets before the assets are included in the EFC. For example if the parents' assets are $50,000 and the asset protection allowance is $40,000 then $10,000 of assets will be included in the EFC calculations. Knowing the parents asset protection allowance is important to helping them plan for financial aid. In the strategies below, the examples show the benefit to the client from implementing the strategy highlighted.

This strategy is available because you have equity in your home and the school you are interested in uses the FM method to calculate an EFC. Since schools that require only the FAFSA do not assess the equity in the home, consider paying down the mortgage on the home with assessable assets (anything other than retirement accounts, annuities, or life insurance cash value). If income or gains must be

recognized to convert any assessable assets used to reduce the mortgage, do so before the first base-income year (Jan of the student's junior year in high school). Otherwise, the income or gains will be included in the EFC

If you have excess funds in your checking account (i.e. use it as a savings account), then consider the following strategies for increasing your financial aid eligibility:

1. Transfer "excess" into an asset that will not be assessed by the financial aid formulas such as no-load, no surrender charge annuity, a cash value life insurance policy, an IRA, etc.
2. Prepay premiums for a life or health insurance policy.
3. Pay down consumer debt, pre-pay taxes, and fund retirement accounts.
4. Spend down cash so that the asset will not be assessed.
5. Consider accelerating planned purchases such as a car, furniture, computer, etc.

Warning: Life insurance should foremost be considered a vehicle to provide a death benefit but may also carry certain other cash value features.

Tip: The implementation of this strategy is included to arrive at the **After** Estimate EFC and Total Family Contribution in the table in Section I.

If you move your excess savings to a non-assessable asset you may increase your financial aid eligibility by $936 at St. John's University.

Implementing this strategy may reduce your EFC by $1,128.

Strategies for Catherine

1. Income Planning Strategies

This is a student income strategy for business owners evaluating schools that use FM. By employing the student and paying them wages up to the Income Protection Allowance (IPA) of $6000, the parents can shift income and increase their financial aid eligibility. For 2012 the IPA for a student is $6000. This amount will not be counted toward their EFC for schools using FM. So the parents lower their AGI by $6000 and may increase their financial aid eligibility.

Tip: The implementation of this strategy is included to arrive at the **After** Estimate EFC and Total Family Contribution in the table in Section I.

By employing the student at an income up to the IPA of $6,000, the parents can shift income and increase their financial aid eligibility. For 2012, the IPA for the student is $6,000. This amount will not be counted toward their EFC for schools using FM. So the parents lower their AGI by $6,000 and may increase their financial aid eligibility at St. John's University by $2,153.

Implementing this strategy may reduce your EFC by $2,594.

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2. Asset Planning Strategies

This strategy is available because the student has a UGMA/trust. Coverdell education savings accounts, prepaid 529 plans and 529 savings plans are known as Qualified Education Benefits. These assets are considered as an asset of the parent in the EFC calculations - even if the owner of the account or plan is the dependent student. If you roll over a custodial account into one of these three types of accounts you will shift its financial aid treatment from a "student owned asset" to a "parent owned asset." Since parent owned assets are assessed at a lower rate than student owned assets, the result may be to increase financial aid eligibility.

Warning: Since a 529 plan is funded with cash; consider the tax consequences of liquidating any assets in order to fund a 529 plan. If this is done during any base years, any income generated by liquidating assets will be assessed at 50% in the financial aid formulas - for the base year in which the investment income was incurred. This strategy is best performed prior to the beginning of the base years (prior to Jan of Junior year in high school).

Warning: Due to the kiddie-tax rules, any assets in the child's name that are liquidated in order to be rolled into a 529 savings plan, prepaid tuition plan or Coverdell may result in kiddie-tax for the student. Therefore, any potential increase in financial aid eligibility resulting from this strategy may be offset by the tax due to the reallocation. Before implementing this strategy it is imperative to know what - if any - the kiddie-tax implications would be.

Tip: One way to avoid the kiddie-tax may be to incrementally reallocate the asset into the 529 plan over a period of years so that the kiddie-tax is not triggered. As indicated above, reallocation is best performed prior to the beginning of the base years.

Warning: By investing in a 529 plan outside of the state in which you pay taxes, you may lose tax benefits offered by the state's plan. Withdrawals used for qualified expenses are federally tax-free. Tax treatment at the state level may vary.

Tip: The implementation of this strategy is included to arrive at the **After CFS** Estimate EFC and Total Family Contribution in the table in Section V.

By establishing a 529 using $15,000 from student's trust account, the reduced valuation of the asset for financial aid eligibility purposes may reduce the family EFC and increase financial aid eligibility.

Implementing this strategy may increase your financial aid eligibility by $1,787.

Implementing this strategy may reduce your EFC by $2,154.

Section V - From the myriad of options, the software-generated report will help you advise your client as to which savings option is best suited for them. Savings options are evaluated based on critically important categories such as whether the option is favorable for financial aid eligibility or disastrous, is it a good option if you don't use it for college but for retirement instead, etc. Choosing the wrong option can cost a family thousands of dollars in lost financial aid!

Note – For illustration purposes, only one savings strategy is included below

Section V

College Savings and Funding Strategies

Since you may be a candidate for financial aid, you will be responsible for covering both your EFC and any part of the cost of college that is not covered by financial aid, merit aid, etc. This is known as your **"total contribution."** See **Section I** for an estimate of your total contribution for one year of college. Implementing strategies contained in this plan may decrease this cost. The **"AFTER"** column includes an estimate of what your **total contribution** may be after implementing strategies highlighted in the plan.

The following savings and investment types were listed on the data form as allocated for college:

- Cash= $3,000
- 529 Savings Plan= $5,000
- Mutual Funds= $25,000
- Student Trusts= $15,000

Growing these investments for the next 2 years till your child begins college yields approximately $52,991. The projected four-year cost of attendance (note - this is not the same as your total contribution because it does not account for any financial aid) at St. John's University using a 5% annual inflation rate is: $264,500.

If there is a shortfall between your available college funds and your **total contribution** consider the following investment and funding strategies:

Savings Strategies:

Consider investments that will not adversely affect your financial aid eligibility. The effect on financial aid of using these investments to fund college costs are described.

These strategies are based on the lead-time available to you and your particular investment philosophy. The investment philosophy you have chosen is **Growth**. **Consider the following investment options with the $300/month you indicated were available for college costs.**

Coverdell Education Savings Accounts (CESA) can provide long-term tax-free earnings and proceeds if utilized for qualified education expenses. For the CESA this includes "qualified elementary and secondary school expenses." While age limitations apply, $2,000 non-deductible per year contributions are available to the beneficiary. Contributions cannot be made after the child's age of 18. The balance of a CESA must be distributed when the beneficiary reaches 30 years of age. The phase-out levels for 2012 the CESA are $190000-$220000 for married taxpayers and $95000-110000 for single or head of household tax payers. Although contributions to a CESA are not deductible, withdrawals from it are exempt from tax to the extent of the beneficiaries' qualified higher education expenses incurred during the year. If withdrawals are taken from a CESA in excess of the qualified education expenses for the year, the earnings portion of the excess withdrawal is subject to income tax and an additional 10% excise tax is imposed on the earnings.

CESA Advantages

1. You can contribute to both and CESA and a Section 529 plan in the same year.
2. You can claim the education tax credit (American Opportunity/Hope Credit) along with a tax-free withdrawal from the CESA as long as they are not used for the same education expenses.

Warning: As it currently stands - and unless Congress acts to make permanent the current account rules - after 2012, CESA's will revert back to the rules in place in 2001.

1. The annual contribution cap will go from $2000 to $500
2. You will not be able to claim education credits along with a tax-free withdrawal from the CESA
3. They will no longer allow tax-free withdrawals for elementary and secondary school expenses (the "K-12" provision)

Tip: Keep in mind the following two points when considering a CESA:

1. Financial Aid Treatment CESA: A CESA is regarded as assets of the parent if the parent is the owner of the account. If a dependent student owns the account, the value is included on the FAFSA form and therefore included in the EFC calculations. If the school in question uses the IM formulas to determine EFC and requires the Profile form, then the value of the plan will be assessed at the student rate of 25%. If a relative owns the plan, such as grandparent or a **non-custodial parent**, it will not typically be assessed. However, the school may use professional judgment to include in the EFC the value of plans it discovers are held by others, but only in unusual circumstances and on a case-by-case basis where the school has determined there is something special about the case
2. Distributions from a CESA that are not subject to federal income tax are not counted as parent or student income in the determination of federal financial aid eligibility. Distributions for qualified educational expenses therefore do not reduce financial aid eligibility.

Tip: If the taxpayer has phased out of the CESA, they could gift the cash to another taxpayer (likely the beneficiary) who is below the threshold level and they could make a CESA contribution

Tip: **Rating of CESA as a college/retirement investment**

Category	Rating

Rate of return vs college inflation	good
Effect on financial aid eligibility	good
Tax favored access for college	excellent
Tax favored access for retirement	N/A
Use for college and retirement	N/A

College Funding Options:

Consider the following funding options if there is a shortfall between your available college funds and your **total contribution.**

Consider the benefits associated with the timing of 529 withdrawals to be used for college expenses. Since your AGI qualifies you for the education credit (American Opportunity/Hope Credit) you'll want to be careful not to sacrifice the credits. You cannot use 529 proceeds to pay for the same expenses that are consumed by the education credit. In other words, since the education credit currently consumes $4,000 in tuition and fees, you can't claim the credit for these expenses if you use your 529 account to pay for them - otherwise you will pay a penalty on the 529 distribution. The solution would be to time the amount of the 529 distributions and use other non-529 resources for the expenses consumed by the credit.

Tip: As it stands now, the American Opportunity/Hope Credit will expire after the 2011 tax year. Unless it is made permanent or extended, the credit will revert to the previous Hope Credit rules and this education credit will only be available for the first two years of college, after which the family may qualify for the Lifetime Learning Credit. The Lifetime Learning credit consumes more tuition and fees (currently $10,000) than the Hope Credit ($4,000). Since the Hope Credit consumes less tuition and fees expense, consider larger 529 distributions in the first couple years and smaller distributions in the later years when the Lifetime Learning Credit will likely consume significantly more of tuition and fees expenses.

Most families will need loans to help cover the total cost of college. Knowing which options to choose - based on circumstances - can be very confusing. Choosing the wrong option can cost a family thousands of additional dollars on our-of-pocket college costs! The report will include a rank-ordered list of loan strategies - based on their particular circumstances - for covering any shortfalls not covered by family resources or financial aid**.**

Note – For illustration purposes, only one savings strategy is included below

Loan Strategies:

Reasons to Consider College Loans

Following are reasons, beyond necessity, for a family that **will qualify for financial aid** to consider using loans to pay for college:

1. **Loan Proceeds Are Not Penalized By the Financial Aid Formulas.** Probably the best reason for a financial aid candidate to use loans to pay for college is that proceeds are not penalized by the financial aid formulas, whereas proceeds from assets (except for 529 plans and Coverdell Savings Plans) will be! The impact of this can be dramatic. For example $10,000 withdrawn from a Roth IRA, although penalty free if used for education expenses will still decrease your financial aid eligibility by $4,700 since the withdrawal will be counted in the financial aid formulas as income.
2. **You Expect Your Child To Have Some Financial Responsibility For Their Own Education** - When a student has a vested interest financially in their education they tend to be more focused about obtaining a degree - sooner than later!
3. **Your Assets Are Invested In High-Yield Investments** - If your family does not qualify for financial aid, here are some reasons why you may use loans instead of liquidating the assets:
   - There may be a significant spread between the interest earned on the investment and cost of the loan. For example, a 2% spread on $40,000 is equal to $800, which yields the same benefit as an $800 scholarship.
   - The cost of liquidating the investment (capital gains, income tax) may be high
   - If your investments are growing on a tax deferred basis, the longer they remain intact, the greater the compounding effect of the interest.
4. **Potential Tax Deduction** - College loan interest is deductible, up to $2,500 annually, within certain income phase-out limits. The income phase-out limit is $60000 to $75000 in Adjusted Gross Income (AGI) for single taxpayers and $120000 to $150000 for married taxpayers.

Advantages/Disadvantages of Various Loans

This section highlights advantages and disadvantages of various loan strategies based on your responses on the dataform. They are ranked in descending order based on the pros/cons of each as well as your particular situation.

Stafford Loans

Stafford Loans are fixed rate and are not based on financial need. Therefore, the student can obtain this loan, regardless of whether the family qualifies for financial aid. The Stafford loan interest rate is fixed at 6.8%. These loans are taken out in the student's name and therefore, the student will be entitled to the student loan interest tax deduction.

The amounts that can be borrowed by the student are as follows:

1. Freshman year - $5,500
2. Sophomore year - $6,500
3. Junior - 5th year - $7,500

The total undergraduate amount of Unsubsidized Stafford Loans that a dependent student can have is $31,000 of which as much as $23,000 can be subsidized.

The repayment of the Unsubsidized Stafford Loan interest begins within 60 days after the final loan disbursement. However this interest can be deferred. The principal repayment does not start until six months after the student graduates, leaves college, or drops below half-time enrollment.

Subsidized Stafford Loans are available to students who are financial aid candidates and they are generally included as part of a school's financial aid package for a student. The primary benefit is that the interest payments are subsidized as long as the student is in school half-time.

Tip: A Stafford Loan and especially a Subsidized Stafford Loan offers more benefits for the student than other loan options and should generally be considered first. Here are a couple of reasons:

1. The interest rate on a Stafford Loan is lower than the interest rate on a PLUS or private student loans.
2. The interest may be subsidized during the college years if the student qualifies for a Subsidized Stafford Loan - provided they are in school at least half-time.
3. Once the student graduates and is no longer a dependent, he can likely claim student loan interest deduction - up to a maximum of $2,500 for each of the 5 years the interest is paid - since his income will likely be below the phase out level. These tax savings can help pay back the loan.

Section VI

Assumptions Made in Creating This Report

The following assumptions were used in the processing, analysis and generation of your report:

1. The student will be in college full time.
2. The EFC calculated is based on a dependent student.
3. The estimated financial aid breakdown contained in Section **V** is based on 2012 data (last updated July 2012).

Section VII

Roadmap for Filing for Financial Aid

1. The Financial Aid Process

A. APPLY FOR ADMISSIONS

Grants and scholarships are limited and are given out on a first-come, first-served basis. Therefore, apply for admission into college early in the student's senior year in high school.

B. FILE FINANCIAL AID APPLICATION FORMS

The basic types of financial aid application forms are the **FAFSA** and the **Profile** form.

The **FAFSA** can be filed as early as January 1. People applying for the 2012-2013 academic year have until June 30, 2013 to apply for federal student aid by filing a FAFSA. Note that colleges have their own deadlines for filing this form for their financial aid funds. The student may miss out on all financial aid (except the Pell Grant and Stafford loan), if they miss the college's deadline. The FAFSA cannot be filed before Jan. 1. Submission of an accurate and early form is critical. The FAFSA form is complex and mistakes can be easily made. Forms with errors are returned and need to be corrected and resubmitted. Since financial aid is first-come, first-served, you may lose out on aid if your form is incorrect. One way to ensure accurate and timely completion of the form is to file on the Internet: **www.fafsa.ed.gov.**

Some colleges require the **Profile** form. The filing deadline for the Profile varies. Some private schools require the Profile to be submitted by mid- to late-December of the student's senior year for the following school year, and may be filed at any time before that for the following college year. As with the FAFSA, certain schools have their own deadline. Check with the school to determine their deadline. You need to obtain a registration form and send it to the College Scholarship Service(CSS), which administers the forms, and complete the forms you receive from them. You can obtain the registration form from your high school guidance office, or you can call CSS **(305 829-9793)** for information concerning the application, or you can register for it online (where you can also complete the application) at **www.collegeboard.com.**

Tip: Every family, irrespective of income level, should file the FAFSA and the Profile (if required) whether or not you will (or think you will) qualify for any aid. The reasons are:

- An appeal cannot be made to the Financial Aid Officer (FAO) for increased financial aid unless these forms have been filed.
- Unless the applications have been filed in prior college years, some schools (usually high-priced private colleges), will not consider the student for future financial aid.
- In order to qualify for both the PLUS loans and Unsubsidized Stafford loans, the family has to have completed the FAFSA.

Tip: Many colleges' financial aid deadlines are before Feb.15. Few families have their tax forms completed by then. Since much of financial aid is distributed on a first-come, first-served basis **the chances to receive aid are enhanced by estimating the financial information on the application forms, and later reporting the actual figures as corrections on the Student Aid Report (SAR).**

C. REVIEW THE STUDENT AID REPORT (SAR)

Within a month or so after filing the FAFSA form the student will receive the SAR form. The SAR will indicate the family's EFC. Errors or estimated information must be immediately corrected or updated on this form and the form re-filed.

D. FINANCIAL AID AWARD LETTERS

The types of financial aid awarded on your award letter will include:

1. Gift-Aid (Grants and Scholarships)
2. Self-Help (Work-Study and Loans)

E. APPEAL AWARD LETTERS

Financial aid awards can often be increased by appealing the award to the college. Colleges compete with each other. Therefore, you can often leverage a good award from one school against lesser awards from other schools. Find out from the college how they reward a good student. As it relates to financial aid, the old adage "If you don't ask, you won't get it" definitely applies!

Here are some practical and effective strategies for maximizing your financial aid and successfully appealing award letters:

- A way to get the "best education for the least amount of money" is to create competition between public and private schools in the same geographic location by applying to both. Tuition discounts at private schools can be significant.
- Applying to multiple schools allows you to compare awards and to request a college with a lesser award to match the highest award. Visiting the financial aid office at the college with proof of an excellent award in hand from a competing school is a great negotiating tool.
- Another very effective technique is to collect award letters and send a copy of the best award to the other schools asking them to increase their award and informing them that you need a better award to keep them in consideration! Iterations of this process can yield excellent results.
- Colleges, particularly private schools, like geographic diversity represented in the student population and will often use grants and scholarships to attract students from other regions of the country, particularly if the geographic region is not well represented. Therefore, consider applying to schools outside your region. Even if you are not seriously considering these schools, their award letters can be the starting point for the leveraging process.
- When applying to a college, consider apply to other colleges that are in the same geographic location, athletic conference or that offer similar curriculums. These colleges may compete for the student with increased financial aid awards.

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