

Financial Aid Frequently Asked Questions

1. I probably don't qualify for aid. Should I apply for aid anyway?

Yes. Many families mistakenly think they don't qualify for aid and prevent themselves from receiving financial aid by failing to apply for it. In addition, there are a few sources of aid such as unsubsidized Stafford and PLUS loans that are available regardless of need. The FAFSA form is free. There is no good excuse for not applying.

2. Do I need to be admitted before I can apply for financial aid at a particular university?

No. You can apply for financial aid any time after January 1. To actually receive funds, however, you must be admitted and enrolled at the university.

3. Why can't I submit my financial aid application before January 1?

The need analysis process for financial aid uses the family's income and tax information from the most recent tax year (the base year) to judge your eligibility for need-based financial aid during the upcoming academic year (the award year). Since the base year ends December 31, you cannot submit a financial aid application until January 1. After all, your parents might earn a year-end bonus or realize capital gains from selling stocks on December 31. If you submit the financial aid application before January 1, it will be rejected.

4. Do I have to reapply for financial aid every year?

Yes. Most financial aid offices require that you apply for financial aid every year. If your financial circumstances change, you may get more or less aid. After your first year you will receive a "Renewal Application" which contains preprinted information from the previous year's FAFSA. Note that your eligibility for financial aid may change significantly, especially if you have a different number of family members in college. Renewal of your financial aid package also depends on your making satisfactory academic progress toward a degree, such as earning a minimum number of credits and achieving a minimum GPA.

5. How do I apply for a Pell Grant and other types of need-based aid?

Submit a FAFSA. To indicate interest in student employment, student loans and parent loans, you should check the appropriate boxes. Checking these boxes does not commit you to accepting these types of aid. You will have the opportunity to accept or decline each part of your aid package later. Leaving these boxes unchecked will not increase the amount of grants you receive.

6. Are my parents responsible for my educational loans?

No. Parents are, however, responsible for the Federal PLUS loans. Parents will only be responsible for your educational loans if they co-sign your loan. In general you and you alone are responsible for repaying your educational loans.

You do not need to get your parents to cosign your federal student loans, even if you are under age 18, as the 'defense of infancy' does not apply to federal student loans. (The defense of infancy presumes that a minor is not able to enter into contracts, and considers any such contract to be void. There is an explicit exemption to this principle in the Higher Education Act with regard to federal student loans.) However, lenders may require a cosigner on private student loans if your credit history is insufficient or if you are underage. In fact, many private student loan programs are not available to students under age 18 because of the defense of infancy.

If your parents (or grandparents) want to help pay off your loan, you can have your billing statements sent to their address. Likewise, if your lender or loan servicer provides an electronic payment service, where the monthly payments are automatically deducted from a bank account, your parents can agree to have the payments deducted from their account. But your parents are under no obligation to repay your loans. If they forget to pay the bill on time or decide to cancel the electronic payment agreement, you will be held responsible for the payments, not them.

7. If I take a leave of absence, do I have to start repaying my loans?

Not immediately. The subsidized Stafford loan has a grace period of 6 months before the student must begin repaying the loan. When you take a leave of absence you will not have to repay your loan until the grace period is used up. If you use up the grace period, however, when you graduate you will have to begin repaying your loan immediately. It is possible to request an extension to the grace period, but this must be done before the grace period is used up.

If your grace period has run out in the middle of your leave of absence, you will have to start making payments on your student loans.

9. I got an outside scholarship. Should I report it to the financial aid office?

Yes. If you are receiving any kind of financial aid from university or government sources, you must report the scholarship to the financial aid office.

Unfortunately, the university will adjust your financial aid package to compensate. Nevertheless, the outside scholarship will have some beneficial effects. At some universities outside scholarships are used to reduce the self-help level. For example, at MIT the outside scholarship is first applied to reducing the self-help level, and only when the scholarship exceeds self-help does it replace institutional grants. At other universities outside scholarships are used to replace loans instead of grants.

FAFSA Questions

1. Where can I get a copy of the FAFSA?

You can ask your guidance counselor for a copy. You can also get the FAFSA from the financial aid office at a local college, your local public library, or by calling 1-800-4-FED-AID. The online version of the form is available at <http://www.fafsa.ed.gov>.

2. Are photocopies of the FAFSA acceptable?

No. Only the original FAFSA form produced by the US Department of Education is acceptable. Photocopies, reproductions, facsimiles and electronic versions are all not acceptable. (See DCL GEN-95-21.)

3. How soon after January 1 should the FAFSA form be sent in? Is it better to wait until the income tax forms have been completed?

Send in the form as soon as possible after January 1. Do not wait until your taxes are done. Although it is better to do your taxes early, it is ok to use estimates of your income, so long as they aren't very far off from the actual values. You will have an opportunity to correct any errors later. If you wait too long, you might miss the deadline for state aid. Most states require the FAFSA to be submitted by March 1, and some even as early as early or mid-February.

4. I sent in my FAFSA over four weeks ago but haven't heard anything. What should I do?

If you haven't received a Student Aid Report (SAR), call the Federal Student Aid Information Center at 1-800-4-FED-AID (toll free) or 1-319-337-5665. You must provide them with your Social Security number and date of birth as verification.

You can also write to

Federal Student Aid Programs
PO Box 4038
Washington, DC 52243-4038

to find out whether your FAFSA has been processed or to request a duplicate copy of your SAR.

5. I was born on January 1, when I will be 24 years old. Can I check Yes in the answer to the FAFSA question "Were you born before January 1, ..." to qualify as an independent student?

The official answer is no. If you check yes, your SAR will be flagged for verification. However, most financial aid administrators would use professional judgment to override the default dependency determination for a student born on January 1 who also demonstrates financial self-sufficiency.

6. What do those acronyms on the Student Aid Report (SAR) mean?

The acronyms on the bottom of the SAR represent intermediate results in the need analysis. To fully understand their meaning, you will need to be familiar with the federal need analysis methodology, such as is used by the [EFC Estimator](#). The meanings of the acronyms are as follows:

EFC Expected Family Contribution
TI Total Income
ATI Allowances Against Total Income
STX State and Other Tax Allowance
EA Employment Allowance
IPA Income Protection Allowance
AI
CAI Contribution from Available Income (Independent Student)
DNW Discretionary Net Worth
APA Education Savings and Asset Protection Allowance
PCA Parents' Contribution from Assets
AAI Adjusted Available Income
TPC Total Parents' Contribution
TSC Total Student's Contribution
PC Parents' Contribution
SIC Dependent Student's Income Contribution
SCA Dependent Student's Contribution from Assets

If an asterisk appears next to the EFC figure, the student has been selected for verification. The asterisk is followed by a code that explains the reason why the student was selected for verification. The letter explains the reason for selection, and the number indicates the priority, with code 1 the highest priority and code 25 the lowest priority (although there are higher codes).

For additional details about SARs and ISIRs, please see the Guide to 1997-98 SARs and ISIRs.