

The HEFAR Group CASH FOR COLLEGE NEWSLETTER

AZ 602-396-7840; CA 619-436-5350

Issue: February 2016



Step-By-Step Through the College Funding Maze: *FOUR SIMPLE BUT IMPORTANT STRATEGIES THAT WILL SHOW YOU WHAT YOU NEED TO DO... RIGHT NOW!*

Dear Parent,

College funding is a lot like a maze for many people... it's just so easy to get lost. This is an interesting time of year for the parents of high school juniors and (especially) seniors, who are right in the thick of this maze. Now, if you have been receiving our monthly advice for a while now – and following it – much of the work surrounding your child's college funding should be over with! As a reminder, your child's FAFSA (Free Application for Federal Student Aid) and CSS Profile (*if required*) should have been submitted, and if you took care of that gargantuan step, then you are now in a holding pattern for the next stage.

There are always those people who didn't get the word, however, and in the event that your child's FAFSA is sitting on the back burner, I urge you to PLEASE not wait another moment! Only those who are through with the FAFSA and CSS have the luxury to relax at this important stage of the game. It's now out of your hands, as the funding committees will officially calculate how much the government will help pay for your child's education... and on the flip side, how much your family will be expected to pay.

If you have already received the Student Aid Report (SAR), then you may already know how much money you're going to need. In the event that you have not received it, or perhaps

you have received it but don't fully understand what it all means, then this important information may still be missing for you. Regardless, you must be ready for the next stage of the process. Once you have received the SAR, you will have the outline for continuing your trip through the college funding maze. This document will answer four crucial questions with the following vital information:

1. What Is Your Expected Family Contribution?

This is probably the most important number to be found anywhere on your SAR! As we have mentioned in previous newsletters, the Expected Family Contribution (or EFC) is the amount that the federal government expects you to cover for your child's college expenses. Do not be surprised if Uncle Sam doesn't seem extremely generous, and the EFC you find at the top of your SAR is higher – maybe even *significantly* higher – than what you think your family can afford.

Many of you have worked with us extensively in preparing for this time, and we are pretty confident that you are well prepared for this information – hopefully, there are no surprises. However, there are a striking number of families out there who fill out all of their documentation in the futile belief that the federal government will somehow make their college expenses drop to what they feel they can afford! In these cases, receiving the EFC information can be a real deflating experience. Few people are readily prepared to assume payment of the EFC number listed atop their SAR, even if they have been expecting to pay something towards college all along.

Remember, we are here to help you find the funds that you need, and we do this all the time! I urge you not to feel alone in your search for college funding – many, many families out there are in the exact same situation. I also encourage you not to make rash decisions in the light of discovering your EFC. There are better ways to pay for college than to resign yourself to raiding your pension, or by making disturbing cuts in your life style! No one should ever have to resort to spending their hard-earned life's savings in an effort to get their children a college education.

In addition to the myriad of student loan and additional grant programs that are available to help you achieve your family's education goals, there are additional methods that have a phenomenally effective track record. Many college funding strategies allow families to access the money they need... on a tax-favored basis!

Now, every strategy is different and one solution isn't the solution for everyone, but there are ways to completely cover the EFC without even touching the family lifestyle at all. If you are interested in learning about what options might be of assistance to you, or if you are in need of some clarification and direction regarding student loans and grants, please call our office! We can be reached at AZ 602-396-7840 or CA 619-436-5350 where we will be happy to schedule a free personalized appointment for you.

2. Does Your Child Qualify For a Pell Grant?

Just by virtue of completing the FAFSA, your child has officially applied for a Pell Grant. Pell Grants are the government's biggest college funding program, and it is just that – a GRANT. The good news is that it doesn't need to be paid back! Yearly, the federal government will distribute around \$16 billion to roughly five million college students. Taken all

together, \$16 billion is a lot of money! Alas, distribution of Pell Grants is mainly to families with annual incomes below \$40,000, which disqualifies a lot of people, and the maximum award is just under \$6,000 (*Note: To receive the maximum award you must have a zero EFC*). Obviously, that doesn't come close to covering the college funding costs for most families. Still, if you happen to be eligible, it's free money... and every dollar counts.

When you receive your SAR, you will discover whether or not you've received a Pell Grant. Remember, many people do NOT receive these grants, and it's not something to fret about. As we will show you, there are a myriad of options for college funding — and we are experts in identifying them for each individual situation.

3. Are Additional Applications Required For Private Schools?

Private colleges and universities operate a little bit differently than most public schools. In the event that your child has applied to a private school, you most likely have already submitted the CSS Profile, as this form is the one most commonly used by private schools. Following the registration of your CSS Profile on line, an entity known as the College Scholarship Service (CSS) forwards the pertinent information to all of the private schools on your child's list.

Families receive an official acknowledgment form that the CSS has sent this information roughly a month after everything is submitted. We always recommend this as a perfect opportunity to make any necessary revisions, and then send it back again if any important changes are warranted. See the next section for more details on this.

Bear in mind that deadlines are another area where private schools play by their own rules! Each school creates their own financial aid form deadlines, and may even have additional forms of their own! As an applicant, you will need to know specifically what forms are required for each private school, and we recommend making a single checklist of the deadline for each school. That way, there are no unpleasant surprises.

4. How Do You Confirm Your Data?

A Data Confirmation Report will be sent to you in addition to the CSS, and it gives a summarization of all the information that you've submitted so far. Make NO assumptions regarding what information they have (or don't have), and definitely take the time to verify that every detail is correct! People have lost considerable financial aid resources over errors, and it doesn't matter who made them. Again, check the DCR carefully, because this opportunity comes exactly once. If there are changes to be made, jump on it immediately, make the changes, and return the form as directed. If everything appears as it should be, that is one more step through the maze completed!

As additional college and financial aid forms arrive in your inbox over the coming weeks and months, we strongly recommend the following as regular action items:

(a). ALWAYS Verify Your Information!

We cannot emphasize this enough. Errors in financial aid can cost a lot of money, so please check your DCR and SAR paperwork very carefully. In fact, having it looked over by a couple of sets of eyes is not a bad idea! This is your prime chance to get all of the minute details exactly accurate. In the event that you find an error, it can be changed quickly now, rather than later

after the damage has been done. The FAFSA comes in two parts, and any changes are made in Part II. In this second section you also have the opportunity to include new schools to which your child will apply. If your child has had a significant swing in GPA, or has changed academic interests recently, this feature may be of particular use as you juggle the listing of colleges to which s/he applies.

(b). Be Extra Certain – Personally Send Your SAR To Each College

While, in a perfect world, each school on your list would be guaranteed to be electronically notified that your child has completed the FAFSA... and it usually does work out that way... we recommend taking this matter into your own hands. You can make sure that the FAFSA is there for the financial aid officer to retrieve by sending a copy of the SAR yourself. If they have two copies, they have two copies... they can't do anything with none!

(c). Contact The Financial Aid Offices Directly

With your SAR in hand, we recommend that you call the financial aid offices at each school. Find out if there is any more information that they need, and keep a record of the people with whom you speak. In many cases, the school may be ready to go and not need any additional information at all – some schools will ask for copies of your most recent tax returns, while others will require completion of their own financial aid forms. Calling them directly saves time, and in the world of financial aid, time is most definitely money!

(d). Find The Funding Available To YOU

No matter what a family's income, very few can afford to simply pay for a high-quality college education out-of-pocket. As College Planning Specialists, we are the experts in helping people to find the money and strategies that will make this a successful effort. For a free meeting to discuss a plan for your situation, please call AZ 602-396-7840, or CA 619-436-5350. We'll be pleased to help in any way that we can!

Until Next Month...

The HEFAR Group

The HEFAR Group is a 501 (c)(3) non-profit company that helps families and individuals plan financially for the skyrocketing cost of college. HEFAR helps to both lower out-of-pocket costs and increase eligibility for financial aid by helping families qualify for more in grants, scholarships, endowments and other aid that is available. The HEFAR Group is a FREE service dedicated to helping make a college education more affordable and manageable and to keeping families from making costly mistakes when navigating through the complex financial aid process. Learn more at www.hefar.org or simply call or email to schedule a free appointment with one of our college planning experts. AZ: 602-396-7840, CA: 619-436-5350, mail@hefar.org.

***Don't forget to Like Us on Facebook for a chance to win a \$1,000 scholarship.**