

Mentor Meeting Notes: 9/19/11

The Little Known Secrets of How To Get Maximum Money For College
How to Legally Arrange Your Financial Situation To Pay For College With As Little Out
of Pocket As Possible!

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College Solutions hosts workshops in various places. Provides 1 hour free consultation for individuals.

How much do you want to put forward per student for college? Need to be thinking about this.

Concerns:

Missing deadlines

Making mistakes

Developing a plan to pay for college

Not having the time to do everything involved

Doing something that will hurt their child's chances

Why is it so expensive?

\$20,000/year for public school (tuition, room, board)

Less aid from government

-Teacher's salaries up

-Costs of maintenance, up keep repairs, infrastructure

-Changes in technology

-Each year college costs are increasing faster than inflation rates (average increase 6%/year)

How is a family supposed to pay for that?

Savings

Borrow

Scholarship

Go to Lesser School

Not go at all

Savings:

\$200,000 that is burning a hole in your pocket?

\$10,000 in savings can cost you up to \$500-\$3500 in scholarships/aid

Borrow:

There are several ways to borrow the money for college

Scholarships

What % of the \$198 billion dollars available in Student Aid came in the form of scholarships

www.fastweb.com

www.collegefortexans.com

Amarillo Area Foundation gives money to our area's students

Financial aid:

Who Is Eligible?

Myths vs. reality

Income too high

Grades too low

Own a home (do not put your home equity into your assets)

Aid is only for special groups

It's an easy process

School people can help

How do they determine if I am eligible:

COA-EFC=Need

COA cost of attendance

Efc stands for expected family contribution

(Based on parent's and student' income, assets, ages, number of people in school.)

Need is how much aid the family is eligible for

3 kinds of families that need proper college funding

Families with total financial need! (C1)

100% financial aid

Families with partial aid (C2)

Families who make too much money to qualify for need based aid (C3)

Where to get money?

-Fed govt

-Pel grants

-SEOG grants

-College work/study

-Subsidized (govt. paying interest while in school) and unsubsidized (accruing interest) direct loans

-Perkins loans (%5, 10 year payback- used to be called Stafford Loans)

-Parent PLUS Loans

(Your child is considered your dependent until age 23.)

-State Gov't:

Special programs for in-state residents

Contact state higher education agency for more information

-College/Universities:

Private universities have endowment funds

Awarded on first come, first served basis

Give preferential packaging to students who are in top 25%

-Private Sources:

Are private scholarships services worth it?

Only small % of aid

How do you apply for aid:

1. *FAFSA (Free Application for Fed. Student Aid)*

FAFSA.ed.gov

A large % go in with errors or inconsistencies

(Jan. 1 of the Senior year is the first day you can apply.) You do not have to have been admitted to a school yet. Taxes do not have to have been done. Use previous year's information to begin. Then do an update with this year's information. How do you classify your homeschooler's senior year? You need to talk to the colleges to see how/when they will classify your homeschooler as an incoming freshman.

Everyone must fill out this form to get aid! (Fill this out each year for each child.)

You cannot apply for Federal Loans if you do not fill one out!

If it is done wrong, it usually gets bumped, adding another 4-6 weeks processing time . . . which often results in lost financial aid.

Do not let your child fill out this form!!!!

2. *The CSS/Profile and Registration Form*

Many private schools want this form

Asks about equity, more detailed explanation of income, assets and expenses

3. *The school's own institutional forms*

some schools will make you fill out their own additional forms

they must be consistent with the other forms

usually will ask similar questions to the other two forms

4. Additional forms:

farms/business supplement

Expect to fillout 5-9 forms and spend 15-20 hours time filling out forms.

Which colleges give you the best shot at getting money?

% of need met

some schools meet 100% of need

others only meet 30-50%

(COA-EFC=Need)

COA: (\$20K)- EFC: (5K)=Need (\$15K)

% of gift aid

% of self-help aid

Know before applying

Sticker price doesn't necessary mean anything.

How to negotiate for the best package?

Some school mis-award

Some schools under award

Some schools will try to compete with other schools

Financial Aid Leveraging

65% of private schools and 72% of public schools engage in financial aid leverage (give you as little as possible the first go around)

How to get more need based aid for college?

Financial aid legal "loopholes"

Look at these:

1. HOPE Scholarship credit
2. Lifetime Learning Credit
3. Penalty Free IRA Withdrawals (be careful with this!)

Section 529 Plans

Are they all they're cracked up to be?

Are they right for you?

Questions:

How much are services? \$995-3000 depending on need of service

Can they give an estimate by college? Yes, they compile a history of this information.

What are merit scholarships based on?

Which tests do I take? Most schools take both now.