

Comparing financial aid awards

If you've been accepted by more than one school, how do you know which school is offering you the best financial aid package? Comparing the award letters can help you decide.

An award letter will usually show the total cost of attendance — what it costs to go to that school for one year, including tuition, fees, room, meals, books, supplies, transportation and personal expenses. It may also show how much you are expected to pay toward those costs, your EFC. The EFC is subtracted from the total cost of attendance to get your financial need.

The letter will then list the financial aid you've been offered. You can accept or reject any or all of those proposed sources.

On page 48 you'll find a School and Package Comparison chart. Use this chart to compare the cost of two schools and the financial aid packages those schools sent you. We've filled in one column with sample numbers that don't come from a real school. Let's take a look at the sample column to see how it's done.

First of all, these are the assumptions we're making: You'll be taking a full load of classes (at least 12 credit hours) and your EFC is \$2,740.

Your total cost of attendance is the sum of your tuition and fees, books and supplies, room and board, transportation and personal expenses, or \$17,490 for one year. Since your EFC is \$2,740, your financial need is \$17,490 minus \$2,740, or \$14,750. The college uses that information to put together a financial aid package for you.

Because your EFC is so low, you qualify for a Federal Pell Grant and a College Access Program Grant. You've earned \$1,700 in KEES awards, and the college has offered you a \$500 scholarship that it administers. Those awards total \$8,700, leaving you \$3,300 short of what you need. That's where Federal Stafford Loans kick in. You qualify for a \$3,300 subsidized Stafford Loan, meaning the federal government pays the interest on the loan while you're in college. Your financial aid awards total \$12,225.

Remember: You don't have to accept everything in the financial aid package. You can pick and choose the



awards that are best for you. The first thing to do is take advantage of all the free financial aid you can get — the grants and scholarships. If you still need help, take the loans — but only what you absolutely need.

Financial aid packages may be negotiable. State and federal programs generally have limits on how much you can receive from them. Beyond that, though, many schools have their own funds. If you really want to go to a particular school but the financial aid package isn't quite what you want, talk with someone in the financial aid office. The school may be able to come up with additional funds.

Ask the financial aid office:

- ☐ If your award will be reconsidered if your financial situation changes.
- ☐ If you can expect roughly the same financial aid package each year or if it includes one-time-only awards.
- ☐ What the school expects the average student loan debt will be.

Tools for comparison

You'll need the award letters that you receive from colleges and the Student Aid Report (SAR) that you receive after filling out the FAFSA to fill out this chart. It will help you compare schools and financial aid packages. The sample column will give you an idea of how to fill in the needed information.

Sometimes the most expensive schools have scholarships that will bring your out-of-pocket costs in line with other schools. So don't limit yourself; consider all your choices and compare.



School and Package Comparison Chart

Sample	School A	School B	
Need Calculation			
\$6,360			a. Tuition and Fees
7,840			b. Room and Board
900			c. Books and Supplies
1,000			d. Transportation
1,390			e. Personal Expenses
17,490			f. Total Cost of Attendance (add lines a through e)
-2,740			g. Minus Estimated Family Contribution (remains the same)
14,750			h. Financial Need (line f minus line g)
Financial Aid Package			
\$5,000			i. Federal Pell Grant
1,500			j. College Access Program Grant
0			k. Kentucky Tuition Grant
0			l. Other Grants/Scholarships
650			m. Kentucky Educational Excellence Scholarship (KEES)
0			n. Work-Study
5,500			o. Federal Stafford Loan
0			p. Other Loans
12,650			q. Total Financial Aid Package (add lines i through p)
2,100			Unmet Need (line h minus line q)



2016-2017 Financial Aid Award Letter

March 20, 2016

Office of Student Financial aid
111 Awards Building
Anytown, KY 40000-0001
Phone: 555.555.5555
Fax: 555.555.1212
www.yourcollege.edu/FinancialAid

Your Financial Aid Counselor Is:
Jordan Friendly, 555.555.5555, ext. 555
Email: friendlyj@yourcollege.edu

The estimated budget below was used to determine your financial aid offer for the **2016-2017** award year. These costs are an **estimate** and **may not represent your actual billed charges**.

Estimated Cost of Attendance:

Tuition and Fees Allowance	\$ 6,360	* These estimated noninstitutional charges will not appear on your bill from YC.
Room and Board Allowance	7,840	
* Books and Supplies Allowance	900	
* Travel Allowance	1,000	
* Personal Expense Allowance	1,390	
<hr/> Total	<hr/> \$ 17,490	

Financial Aid Offer:

Mark Accept or Reject for each award below.

		Award Type	Fall	Spring	Summer	Total
Accept	Reject		2016	2017	2017	
_____	_____	CAP Grant	\$750	\$750		\$1,500
_____	_____	Pell Grant	\$1,500	\$1,500		\$3,000
_____	_____	KEES Scholarship - Est.	\$325	\$325		\$650
_____	_____	Federal Perkins Loan	\$1,000	\$1,000		\$2,000
_____	_____	Fed Unsub Loan	\$2,750	\$2,750		\$5,500
Totals			\$6,325	\$6,325	\$0	\$12,650

Note: Summer awards are determined in April. Contact the Financial Aid Office if you plan to attend during the summer.

All terms and conditions of this offer of financial assistance are described in the enclosed package. ***The awards listed above may change if you receive additional aid or if there are changes in your expected family contribution, institutional charges or aid program regulations or funding.*** Please contact the counselor above if you have any questions about financial aid.

You must take the steps indicated below within three weeks of the date of this notice or your awards will be cancelled.

1. **Mark** "Accept" or "Reject" for each type of aid awarded.
2. **Complete** the information below.
3. **Sign** your full name and enter the **date** you sign the form.
4. **Send *all* pages** of the signed and dated copy of this award letter to the Office of Student Financial Aid at the address on the first page. ***Keep the second copy for your records.***
5. **To accept an amount less than offered, please write the amount you wish to accept (divided evenly) beside the amount offered and initial.**

Acceptance Certification, Title IV Payment Authorization, and FERPA Release

I understand that all initial awards are based on full-time enrollment and will be adjusted if my actual enrollment is less than full-time and that any award indicated above is valid only when all related documents or processes have been completed and submitted as required. I also understand that any federal or need-based aid in this award will be canceled if I am not enrolled in a degree or certification program or if I fail to maintain satisfactory academic progress toward my degree or certification.

Title IV Payment Authorization

I hereby authorize my Title IV funds to be used for payment of the following institutional charges (if assessed); late registration fees, reinstatement fees, locker fees, lab fees, health fees, returned check fees, dormitory/apartment damage fees, graduate student/family housing charges, short-term loan principal, loan service fees, loan late fees, loan interest, music fees, study abroad program fees, computer/prINTER/software equipment charges, any outstanding minor prior year charges and miscellaneous program or course fees. If left blank, an answer of "No" will be assumed.

☐ **Yes** ☐ **No**

FERPA Release of Information

The Family Educational Rights and Privacy Act of 1974 (FERPA) is a federal law designed to protect the privacy of a student's education records. I hereby authorize the Financial Aid Office to provide requested information as indicated below. If left blank, an answer of "No" will be assumed.

My Parents: ☐ **Yes** ☐ **No** **My Spouse:** ☐ **Yes** ☐ **No**

This is voluntary authorization and you may rescind any or all provisions of the authorization at any time by contacting the Financial Aid Office. You may choose to authorize that your Title IV funds be used to pay any or all of the above stated charges. Any balances owed the student/parent after paying tuition and fees, contracted room and board and the above authorized charges (if any) will be mailed to the student within 14 calendar days of the later of (a) the date the balance occurs on the student's account; (b) the first day of classes of the payment period; or (c) the date the student/parent rescinds his/her authorization for the school to retain funds in excess of the amount needed to cover allowable charges. Your College does not earn any interest on funds owed to the student/parent after Title IV funds are applied to outstanding charges.

Sign Your Full Name: _____ Date: _____

You will be notified of any changes to your awards. You should keep a copy of this and any subsequent award letters for your records.