

Award Letters from A to Z

2019 PASFAA NextPAGE Training

Agenda

- Proposed Legislation
- Why Change your Award Notification?
- What Can Making a Change Do for Your Institution?
- What Shouldn't You Do?
- What Should You Do?
- Questions
- Resources

Simple FAFSA Act of 2017



Rep. Lisa Blunt
Rochester (D-DE)



Rep. Robert (Bobby)
Scott (D-VA)



Rep. Ami
Bera (D-CA)



Rep. Susan
Davis (D-CA)



Rep. Gregorio Sablan
(I-Northern Mariana Islands)

A Component of the Aim Higher Act Initiative

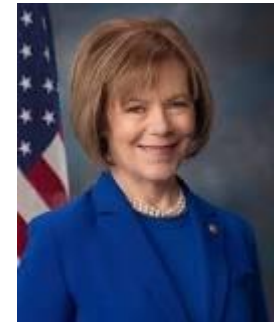
- Requires any institution receiving Title IV aid to use a standardized financial aid award letter developed by the DOE (Financial Aid Shopping Sheet)
- Must include
 - The total COA
 - The amount of COA covered by federal aid
 - Estimated loan debt upon graduation
 - Student outcome information, and
 - Other information to allow for aid package comparison
- Requires the institution to either
 - Use the Financial Aid Shopping Sheet, OR
 - Include the Shopping Sheet as the 1st page

Understanding the True Cost of College Act of 2019

- Created to standardize “Financial Aid Offer” forms
- Mandates the use of standard language and a standard format
- Requires certain standardized items to be included on the first page
- Stipulates the way loan information must appear



Senator Chuck Grassley (R-IA)



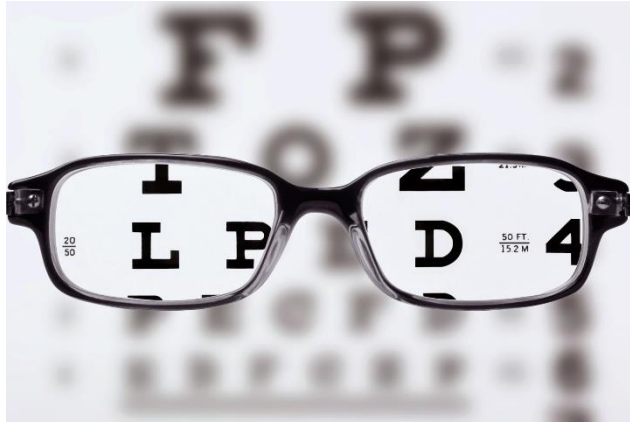
Senator Tina Smith (D-MN)



Senator Joni Ernst (R-IA)

Read the Bill text here, <https://www.congress.gov/bill/116th-congress/senate-bill/888/text>

Why Change your Award Notification?



Improve Clarity



Provide Transparency



Increase Understanding

Ability to Make Informed Decisions

What Can Making a Change Do for Your Institution?



Increase Enrollment



Improve Persistence and Completion



Lead to Successful Repayment of Student Loans

Has your office begun discussing whether or not to make a change to your award notification?



What Shouldn't You Do?

Don't call it an "award"

Loans

Work Study



Don't call it a "letter"

How is it delivered?

- Email
- Student Portal



What Should You Do?

Offer or Notification



What Should You Do?

- Include the Award Year
- Include the Cost of Attendance
 - Direct costs (Tuition and Fees, Housing and Food)
 - Indirect costs (Books, Supplies, Transportation and Miscellaneous Expenses)
 - This may also include estimated costs for housing and food for off-campus students



NASFAA SCHOOL RESOURCE DEPENDENT STUDENT NOTIFICATION MODEL

2019-2020 FINANCIAL AID AWARD NOTIFICATION

Student Name
Student ID

Annual Cost of Attendance (estimated)

Estimated Direct Costs	
Tuition and Fees	\$46,615
Estimated Indirect Costs	
Books and Supplies	\$820
Transportation	\$1,735
Room & Board	\$14,702
Miscellaneous Personal Expenses	\$921
Total	\$64,793

A breakdown of individual components of the institution's Cost of Attendance, designating all potential billable charges

Clear identification of each award using standard terminology

Scholarships & Grants (Gift Aid)

Award Description	Fall 2019	Spring 2020	Annual
Federal Pell Grant	\$3,048	\$3,047	\$6,095
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$300	\$300	\$600
State Grant	\$450	\$450	\$900
Merit Based Scholarship	\$7,500	\$7,500	\$15,000
Endowed Scholarship	\$1,500	\$1,500	\$3,000
Total	\$12,798	\$12,797	\$25,595

How Much Do I Owe?

\$64,793 Estimated Cost of Attendance

\$25,595 Gift Aid

\$39,198

Net cost after gift aid is applied

\$36,198 Loans

\$3,000 Work-Study

\$0

Estimated remaining cost after gift aid and self-help aid applied

Identification of award by award type; separating gift aid from other sources of aid such as loans

Your estimated Out-of-Pocket costs (estimated net cost based on total COA less total gift aid) for the 2019-2020 award year is \$39,198. This is based on your zero (0) Expected Family Contribution (EFC) and full-time (12 credit hours per semester) enrollment. To accept or deny any of these financial aid options log into your student portal.

Loans & Work-Study (Self-Help Aid)

Award Description	Fall 2019	Spring 2020	Annual
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Federal Parent Loan (PLUS)	\$15,349	\$15,349	\$30,698
Total	\$18,099	\$18,099	\$36,198
Federal Work-Study	\$1,500	\$1,500	\$3,000
Total	\$1,500	\$1,500	\$3,000



NASFAA SCHOOL RESOURCE DEPENDENT STUDENT NOTIFICATION MODEL

2019-2020 FINANCIAL AID AWARD NOTIFICATION

Annual Cost of Attendance (estimated)

Estimated Direct Costs	
Tuition and Fees	\$46,615
Estimated Indirect Costs	
Books and Supplies	\$820
Transportation	\$1,735
Room & Board	\$14,702
Miscellaneous Personal Expenses	\$921
Total	\$64,793

Student Name
Student ID

A breakdown of individual components of the institution's Cost of Attendance, designating all potential billable charges

Clear identification of each award using standard terminology

Scholarships & Grants (Gift Aid)

Award Description	Fall 2019	Spring 2020	Annual
Federal Pell Grant	\$3,048	\$3,047	\$6,095
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$300	\$300	\$600
State Grant	\$450	\$450	\$900
Merit Based Scholarship	\$7,500	\$7,500	\$15,000
Endowed Scholarship	\$1,500	\$1,500	\$3,000
Total	\$12,798	\$12,797	\$25,595

How Much Do I Owe?

\$64,793 Estimated Cost of Attendance
\$25,595 Gift Aid

\$39,198
Net cost after gift aid is applied

\$36,198 Loans

\$3,000 Work-Study
\$0

Estimated remaining cost after gift aid and self-help aid applied

Identification of award by award type; separating gift aid from other sources of aid such as loans

Your estimated Out-of-Pocket costs (estimated net cost based on total COA less total gift aid) for the 2019-2020 award year is \$39,198. This is based on your zero (0) Expected Family Contribution (EFC) and full-time (12 credit hours per semester) enrollment. To accept or deny any of these financial aid options log into your student portal.

Loans & Work-Study (Self-Help Aid)

Award Description	Fall 2019	Spring 2020	Annual
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Federal Parent Loan (PLUS)	\$15,349	\$15,349	\$30,698
Total	\$18,099	\$18,099	\$36,198
Federal Work-Study	\$1,500	\$1,500	\$3,000
Total	\$1,500	\$1,500	\$3,000

What Should You Do?

Components

- Clear separations including pertinent information
 - Grant and/or Scholarship Aid
 - Doesn't need to be repaid
 - What effects it?
 - Enrollment status
 - Academic Progress
 - Net Cost
 - The difference between the total cost and the cost less all grant/scholarship aid received



NASFAA SCHOOL RESOURCE

DEPENDENT STUDENT NOTIFICATION MODEL

2019-2020 FINANCIAL AID AWARD NOTIFICATION

Annual Cost of Attendance (estimated)

Estimated Direct Costs	
Tuition and Fees	\$46,615
Estimated Indirect Costs	
Books and Supplies	\$820
Transportation	\$1,735
Room & Board	\$14,702
Miscellaneous Personal Expenses	\$921
Total	\$64,793

A breakdown of individual components of the institution's Cost of Attendance, designating all potential billable charges

Clear identification of each award using standard terminology

Scholarships & Grants (Gift Aid)

Award Description	Fall 2019	Spring 2020	Annual
Federal Pell Grant	\$3,048	\$3,047	\$6,095
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$300	\$300	\$600
State Grant	\$450	\$450	\$900
Merit Based Scholarship	\$7,500	\$7,500	\$15,000
Endowed Scholarship	\$1,500	\$1,500	\$3,000
Total	\$12,798	\$12,797	\$25,595

How Much Do I Owe?

\$64,793 Estimated Cost of Attendance
\$25,595 Gift Aid

\$39,198
Net cost after gift aid is applied

\$36,198 Loans

\$3,000 Work-Study
\$0

Estimated remaining cost after gift aid and self-help aid applied

Identification of award by award type; separating gift aid from other sources of aid such as loans

Your estimated Out-of-Pocket costs (estimated net cost based on total COA less total gift aid) for the 2019-2020 award year is \$39,198. This is based on your zero (0) Expected Family Contribution (EFC) and full-time (12 credit hours per semester) enrollment. To accept or deny any of these financial aid options log into your student portal.

Loans & Work-Study (Self-Help Aid)

Award Description	Fall 2019	Spring 2020	Annual
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Federal Parent Loan (PLUS)	\$15,349	\$15,349	\$30,698
Total	\$18,099	\$18,099	\$36,198
Federal Work-Study	\$1,500	\$1,500	\$3,000
Total	\$1,500	\$1,500	\$3,000

What Should You Do?

Components

- Loans
 - Clarify the source (federal, state, institutional, private)
 - List PLUS loans separately (Parent and Graduate)
 - Needs to be repaid
- Work Study
 - Must be earned

What Should You Do?

Next Steps

Accept/Decline Financial Aid

- Where to go
 - Student Portal
 - What to do when they get there
 - Return paper form
 - What office
 - Sign and date



Next Steps

Additional forms

- Work Study
 - Position listings
 - Employment paperwork
- Loans
 - Entrance Counseling
 - MPN
 - PLUS Credit Check

UNDERSTANDING YOUR AWARD NOTIFICATION

Cost of Attendance: Your estimated cost of attendance includes direct costs (expenses paid directly to the college), and indirect costs (expenses incurred as a result of attendance that the student/family may pay to a third party (landlord, etc.) other than the college).

Federal Direct Student Loan: Loan funds provided to *the student* by the U.S. Department of Education, through the school. Repayment of principal begins six months after the borrower ceases to be a student on at least half-time basis. The Free Application for Federal Student Aid (FAFSA) is the annual application. There are two types of Federal Student Direct Loans: subsidized and unsubsidized. Students with financial need can qualify for a subsidized loan, and the government pays the interest on the loan while the student remains enrolled at least half time. Students who don't demonstrate financial need qualify for an unsubsidized loan and interest accrues while the student is in school. Student must complete Entrance Counseling and the Master Promissory Note to receive disbursements.

Federal Grad PLUS Loan: Loan funds provided to *graduate students* by the U.S. Department of Education, through the school. This federal program allows graduate students with no adverse credit history to apply for up to their Cost of Attendance each year, less any financial aid. To be eligible, the student must be enrolled at least half time in an eligible program of study and first borrow the maximum allowable through the Federal Direct Student Loan program. Repayment of principal and interest begins 30 to 60 days after the loan is fully disbursed with deferment and forbearance options available.

Federal Parent Loan (PLUS): A federal loan program that allows parents who have no adverse credit history to apply for up to the Cost of Attendance each year, less any financial aid. PLUS loans must be repaid with interest.

Federal Pell Grant: A grant provided by the federal government to qualified undergraduate students who demonstrate exceptional financial need and have an Expected Family Contribution (EFC) below a threshold designated annually by the U.S. Department of Education, based on the amount of program funds appropriated by Congress. Must complete FAFSA annually for renewal consideration.

Federal Supplemental Educational Opportunity Grant (FSEOG): A grant provided by the federal government to qualified undergraduate students who demonstrate exceptional financial need. Priority is given to Pell Grant recipients and funds must be awarded by the school in lowest EFC order. Awarding is contingent upon funding and may not be renewed year to year.

Federal Work-Study (FWS): A program that provides part-time employment to students attending institutions of higher education who need the earnings to help meet their costs of postsecondary education and encourages students receiving FWS assistance to participate in community service activities. Awarding is contingent upon funding and may not be renewed year to year.

Gift Aid: Funds awarded to the student that do not have to be repaid, unless the student fails to meet certain terms, such as a service requirement, specified as a condition of the grant. Gift aid includes awards with titles such as grants, scholarships, remissions, waivers, etc. Gift aid can be awarded based upon many factors, including (but not limited to) financial need, academic excellence, athletic, musical, and theatrical talent, affiliation with various groups, or career aspirations.

Net Cost: Amount of direct and indirect costs remaining after all gift aid (scholarships and grants) is subtracted.

Remaining Cost: Amount of direct and indirect costs remaining after all gift aid (scholarships and grants) and self-help aid (loans and federal work-study) or other funding sources are subtracted.

Remaining Need: Difference between the institution's Cost of Attendance and the student's Expected Family Contribution (EFC).

Satisfactory Academic Progress (SAP): To be eligible for federal funds (Pell, FSEOG, Direct Loans, etc.) students must make satisfactory academic progress, meaning you are continuing to complete courses and maintain a required GPA based on your credit level.

Scholarship: A type of gift aid awarded to the student that does not need to be repaid. Scholarship awards are typically based on merit or a combination of merit and need, such as academic excellence, talent, affiliation with various groups, or career aspirations. To be eligible for renewal of certain scholarships, the student may be required to maintain a specific Grade Point Average (GPA) or enrollment status. Please reference the student financial aid website to see the guidelines for the specific scholarship awarded.

Self Help Aid: Financial aid in the form of loans or student employment. Loans can be used to pay the remaining net costs after gift aid is deducted. Student employment earnings (including Work-Study awards) are generally not deducted from billed costs but can be used to help you cover indirect costs and are paid in the form of wages to students.

State Grant: State funded program provides grant from to State residents who demonstrate the highest level of financial need as determined by the results of the FAFSA. Amount varies and is based on enrollment status.

Additional renewal requirements and aid information available at www.schoolwebsite.edu/financialaid

Standard terminology and definitions using NASFAA's glossary of award letter terms.

Renewal requirements for each award

What Should You Do?

Clarity, Transparency, Understanding Include Pertinent Information

- Grant and/or Scholarship Aid
 - Doesn't need to be repaid
 - What effects it?
 - Enrollment Requirements
 - Academic Progress Requirements
 - Renewal Requirements
- Loans
 - Enrollment Requirements
 - Academic Progress Requirements
 - Needs to be repaid
- Work Study
 - Must be earned
 - How is it earned



Questions?

Contact Information



Cathy Demchak
<code>cdemchak@andrew.cmu.edu</code>
412.268.1353

Jynhae Tyler
<code>jtyler@ccac.edu</code>
412.369.3688



Resources

- FSA Electronic Announcement - **What Postsecondary Institutions Should Work to Avoid When Issuing Financial Aid Offers**. April 15, 2019.
<https://ifap.ed.gov/eannouncements/041519RecWhatPostInstShouldWork2Avoid.html>.
- NASFAA Website - **Senators Introduce Bill Aimed at Standardizing Financial Aid Award Notifications**. Megan Walter, Policy & Federal Relations Staff. April 15, 2019. [https://www.nasfaa.org/news-item/18012/Senators Introduce Bill Aimed at Standardizing Financial Aid Award Notifications](https://www.nasfaa.org/news-item/18012/Senators-Introduce-Bill-Aimed-at-Standardizing-Financial-Aid-Award-Notifications).
- NASFAA Website - **Award Notification Examples**. September 12, 2018.
[https://www.nasfaa.org/award notification examples](https://www.nasfaa.org/award_notification_examples).