

<b>Slide 1 - Introduction</b>	<p>Thank you for joining this session on the topic of Evaluating Financial Aid Award Letters. It is brought to you by the Office of Student Financial Assistance, a division of the Florida Department of Education – a state sponsor of the National Training for Counselors and Mentors (NT4CM).</p>
<b>Slide 2 – Topics Covered</b>	<p>In today’s session, we will cover: first steps, award letter timelines, how to interpret an award letter, how to calculate and use net price, net price limitations and award letter examples.</p>
<b>Slide 3 – First Steps</b>	<p>The first step of the financial aid process is to complete the Free Application for Federal Student Aid (FAFSA). Once you have completed and submitted the FAFSA, you will receive a copy of your completed application also known as the “Student Aid Report.” You can expect to receive it within 3-5 business days via e-mail, if you provided an e-mail address. If you did not provide an e-mail address, it will take longer to receive the report via the United States Postal Service. The completed FAFSA is also sent to the schools included on the FAFSA application and is often referred to as an Institutional Student Information Record (ISIR).</p>
<b>Slide 4 – Award Timelines</b>	<p>Upon receipt of the ISIR, the school will begin the awarding process. The awarding process can vary from school to school, so it is important to work with the financial aid office to determine what their process is. During the awarding process, the school may need to communicate with you. It is your responsibility to determine what communication method the school will use and ensure that you are participating in the communication process. For example, one school may communicate with you regarding your award via your school-based e-mail address while another school requires you to log in to your student account. Regularly check both and respond to any information requests. The same applies to how the award letter will be delivered. Carefully review your award letter. During the review, you may be asked to accept, decline or reduce what is offered. Again, this process can vary from school to school, so if you are applying to multiple schools, please make note of what the process is at each one.</p>
<b>Slide 5 – Interpreting an Award Letter</b>	<p>The first step in interpreting an award letter is to look at the school’s financial aid website to determine the full cost of attendance. The full cost of attendance is a key component of reviewing your award letter and includes, but is not limited to: tuition, fees, books, housing, food, transportation, and other educationally related expenses. The second step is to review each award name and requirements. Please note: grants and scholarships usually do not have to be repaid and are often referred to as gift aid. However, if a student fails to meet all grant or scholarship requirements, gift aid may have to be repaid. If your award letter includes a student loan, it must be repaid. Since loan repayment requirements can vary from loan to loan, it is important to review and understand them before accepting the loan award. Once you have determined the cost of attendance and reviewed the award letter, you can</p>

	<p>calculate the net price. Net price is cost of attendance less gift aid. The student must then determine if the net price can be reasonably afforded, and if so, how. Net price may be covered through student employment, student loans, or the expected family contribution. Once these other resources are considered, determine if there is still a net price balance or “unmet need.” Once the net price is determined, you can calculate the net cost. Net cost is cost of attendance less financial aid. The net cost should be equivalent to the expected family contribution plus unmet need. Let’s take a moment and look at net price in more detail.</p>
<p><b>Slide 6 – Calculating Net Price</b></p>	<p>As we discussed before, you must review the school’s cost of attendance and ensure that the estimated costs are reasonable. For example, if housing is listed at \$5,000 per academic year, can you realistically expect to find housing (including utilities) for that amount? Another example is transportation costs. Is this amount enough to cover your car payment, car insurance, gas and routine maintenance? Keep in mind that these are estimates only. You can research lower cost options available. Once you have evaluated the cost of attendance, review the award letter and determine which items are gift aid. If you are not sure if a line item is a grant, scholarship or loan, ask the financial aid office for help! You do not want to mistake a loan for a grant. Once you have completed the cost of attendance and award letter analysis, you can calculate the net price. Again, net price is cost of attendance less gift aid.</p>
<p><b>Slide 7 – Net Price Comparisons</b></p>	<p>Net price is one of the most important factors when choosing a school. Again, based on cost of attendance and gift aid, a student’s net price can vary greatly from one school to the next. Do not discount a school with a higher cost of attendance until you have the opportunity to review the award letter. You may be surprised to learn that the gift aid being offered creates a lower net price than the school with the lower cost of attendance. Also, be very careful when reviewing the net cost. Net cost can appear to be lower, but after careful review, you may note that is because a variety of student or parent loans are included in the award letter. Loans must be repaid and you do not want to borrow what you cannot afford to repay. Let’s now take a look at some net price examples.</p>
<p><b>Slide 8 – Net Price Examples</b></p>	<p>College A in this scenario has a cost of attendance of \$15,000 per academic year. In reviewing the award letter, you will notice gift aid of \$5,900 and a student loan of \$5,500. This results in a net cost of \$3,600 and a net price of \$9,100. College B in has a cost of attendance of \$25,000 per academic year. In reviewing the award letter, you will notice gift aid of \$15,000 and a student loan of \$5,500. This results in a net cost of \$4,500 and a net price of \$10,000. In comparing the two schools, College B has a higher cost of attendance, but the higher gift aid results in a comparable net cost to College A.</p>

<p><b>Slide 9 – Revised Net Price Example</b></p>	<p>Let’s now take a more detailed look at College A. If you break down the cost of attendance by category, you can revise the cost of attendance to suit your personal budgetary needs. In this scenario, the student has decided to continue to live at home for the freshman year and cover housing and transportation costs by working part-time. The student has noted that the personal cost of attendance for school is tuition, fees and books totals \$5,000. The student has been awarded \$5,900 in gift aid, so the new net cost is -\$900. This means the student will receive a refund which can be used for other educationally related expenses.</p>
<p><b>Slide 10 – Revised Net Price Example</b></p>	<p>Now, let’s take a look at College B. The student has broken down the cost of attendance by category, and revised it to suit his or her personal budgetary needs. As in the scenario for College A, the student has decided to continue to live at home for the freshman year and cover housing and transportation costs by working part-time. The student has noted that the personal cost of attendance for school totals \$12,500 which covers tuition, fees and books. The student has been awarded \$15,000 in gift aid, so the new net cost is -\$2,500, which means the student will be be refunded this amount to be used for other educationally related expenses. If you were this student, which option would you choose? College A or College B?</p>
<p><b>Slide 11 – Net Price Limitations</b></p>	<p>What factors should you consider when reviewing net price?</p> <p>Students should be aware of a practice referred to as “front end loading.” This occurs when a student receives a substantial amount of grants and scholarships for their freshman year; however, the grants or scholarships are reduced or eliminated for the remaining years. When reviewing an award letter, a student needs to determine, “Is this a one-time award? Or, is this grant or scholarship renewable? If it is a one-time award, the student must then think of the future and determine how to replace it during the following years. Otherwise, a student may find themselves in a position of not being able to afford to stay at that school. If the college does not provide a clear answer, ask a few upperclassmen about how their grants compare with their grants received as freshmen. The student may also look at the financial aid data for the college on the U.S. Department of Education’s <a href="#">College Navigator</a> web site. Compare the percentage of full-time beginning undergraduate students receiving grant or scholarship aid to the same figures for all undergraduate students. If the figures differ significantly, it is a sign that the college practices front-loading of grants.</p> <p>Another practice that students should be aware of is “displacement of outside scholarships.” This occurs when a student receives outside funding and the school uses it to replace institutional aid, student loans, or student work-study funding.</p>

	<p>If a student has a question about net price limitations, he or she may contact the financial aid office. It is important to remember that an award letter CANNOT exceed the school's published cost of attendance and may be a factor in any award letter changes.</p>
<p><b>Slide 12 – Confusing Award Letter Example</b></p>	<p>Let's take a look at an award letter example that a student may find confusing. In this scenario, the cost of attendance is incomplete. It only shows the tuition and fees, which can be very misleading. The full cost of attendance also includes indirect costs such as housing, transportation and food. In reviewing the award letter, the award names are abbreviated. Can you identify which of these programs are loans? There are actually four loan types listed: Federal Perkins Loan, Federal Subsidized Stafford Loan, Federal Unsubsidized Stafford Loan and Federal Parent PLUS Loan. This scenario also includes the net cost, but does not include net price. As outlined earlier, net price is an integral piece of evaluating an award letter. Remember, it is always ok to ask the financial aid office for clarification during the award letter review process.</p>
<p><b>Slide 13 – Improved Award Letter Example</b></p>	<p>Let's take a look at an award letter example that is less confusing. In this scenario, the full cost of attendance is listed and includes both direct and indirect costs. In reviewing the award letter, it is clearly divided into two sections: gift aid and loans. It also includes both the net price and the net cost. This award letter includes all of the necessary information for a student to make a financially educated decision.</p>
<p><b>Slide 14 – Final</b></p>	<p>If you need additional assistance with this topic, please feel free to visit <a href="http://NavigatingYourFuture.org">NavigatingYourFuture.org</a> and select the Contact Us tab to locate your an outreach representative. We will be more than happy to help! Thanks for attending today's session.</p>