



Money Doesn't Grow
on Trees, You Have to
Dig for it!

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Higher Education Assistance Program



Financial Literacy

- Today we will discuss:
 - What is Financial Aid
 - FAFSA
 - Where you find more money
 - What you need to know about Student Loans



Financial Aid

Financial Aid is money to help you pay for college. This money can come from many different places.

Places like:

- the US Government
- banks
- your school
- non-profit organizations
- private donors
- **The Higher Education Assistance Program**



FAFSA

What is FAFSA?

FAFSA stands for

Free
Application for
Federal
Student
Aid

To apply for federal student aid, such as federal grants like the PELL grant, work-study, and loans, you need to complete the Free Application for Federal Student Aid (FAFSA). Completing and submitting the FAFSA is **free** and easier than ever, and it gives you access to the largest source of financial aid to pay for college or career school.

In addition, many states and colleges use your FAFSA information to determine your eligibility for state and school aid, and some private financial aid providers may use your FAFSA information to determine whether you qualify for their aid.

Your FAFSA application can be submitted as early as October 1st for the following academic school year.

For example, October 1, 2020 you will be able to submit your FAFSA application for the 2021-22 school year. This would be for the Fall 2021 and Spring 2022 semesters.

Some states and colleges have earlier deadlines for applying for state and institutional financial aid. You can find your state's deadline at

<https://fafsa.ed.gov/deadlines.htm>

Check with your college Financial Aid Office about other deadlines.



FSA ID

What is an FSA ID?

The FSA ID is the username and password you use on federal student aid websites such as www.fafsa.ed.gov and www.StudentLoans.gov

Your parent/s may also need an FSA ID, depending on your situation. Go here to create your FSA ID if you have not already done so.

<https://fsaid.ed.gov>

Your FSA ID is used to sign legally binding documents electronically. It has the same legal status as a written signature.

Don't give your FSA ID to anyone or allow anyone to create an FSA ID for you—not even your parent, your child, or someone helping you fill out the FAFSA form.

Sharing your FSA ID is like teaching someone to forge your signature; and it could put you at risk of identity theft!



Grants: What you need to know

While grants are essentially free money to help pay for your higher education, there are rules.

Certain scenarios may require that a portion or all of the grant funds be repaid. For example, if you withdraw from school before finishing an enrollment period such as a semester.

Here are some other examples of why you might have to repay all or part of a federal grant:

- Your enrollment status changed in a way that reduced your eligibility for your grant (for instance, if you switch from full-time enrollment to part-time, your grant amount will be reduced).
- You received outside scholarships or grants that reduced your need for federal student aid.



Scholarships

Scholarships are available for many different things such as:

- having good grades
- being a student athlete
- being part of a club
- hobbies
- for being a male or female or LGBTQ
- based on your ethnicity

Check out these websites for more scholarship information:

- <https://www.fastweb.com/>
- <http://finaid.org/scholarships/>
- <https://bigfuture.collegeboard.org/scholarship-search>
- <https://collegefund.org/student-resources/scholarships/scholarship-programs/>
- <http://www.pascuayaqui.nsn.gov/index.php/higher-educations>

Don't forget to check your schools Financial Aid office for scholarships available to you.



Loans

Loans can be scary but when you apply for financial aid, you may be offered loans as part of your school's financial aid offer.

**A loan is money you borrow and must pay back with *interest*.

*****INTEREST*** is a loan expense charged for the use of borrowed money. Interest is paid by a borrower (you) to a lender (the bank). The expense is calculated as a percentage of the unpaid principal amount of the loan.



Subsidized vs Unsubsidized

Here's a quick overview of Direct **Subsidized** Loans:

Direct Subsidized Loans are available to undergraduate students with financial need.

Your school determines the amount you can borrow, and the amount may not exceed your financial need.

The U.S. Department of Education pays the interest on a Direct Subsidized Loan while

- you're in school at least half-time
- for the first six months after you leave school (referred to as a grace period*)
- during a period of deferment (a postponement of loan payments).

Here's a quick overview of Direct **Unsubsidized** Loans:

Direct Unsubsidized Loans are available to undergraduate and graduate students; there is no requirement to demonstrate financial need.

Your school determines the amount you can borrow based on your cost of attendance and other financial aid you receive.

You are responsible for paying the interest on a Direct Unsubsidized Loan during all periods.

If you choose not to pay the interest while you are in school and during grace periods and deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized that mean your interest will be added to the amount of your loan).



Do you Really Need a Loan?

University Tuition	\$ 6,200	HEAP Award	\$ 5,500
Books (approx.)	\$ 500	PELL Grant	\$ 3,170
Parking Pass	\$ 480	Total Aid	\$ 8,670
Misc	\$ 250		
Total Cost estimate	\$ 7,430	What's left	\$ 1,240

In this particular situation, do you really need a loan?

Your situation may be different than the one used here. You may have a child to care for, rent, a car payment. There are several factors to take into consideration. You will need to look at your “Cash Flow”. This is the money you have coming in (scholarships, paychecks, etc) versus the money going out (tuition, rent, food, childcare)

If you need help looking at your “Cash Flow” see your assigned EAS for assistance.



What's Next

- Once you have completed your FAFSA and accepted your admissions to your school, you may be asked to submit additional documents to your Financial Aid Office.
 - Be sure to check your student portal under Financial Aid, to see what you need to submit.
 - Submit ALL requested documents as soon as possible.
 - Your funding will be delayed or denied if you do not submit all of the requested documents.
- Helpful Hints:
 - You may be requested to submit your and/or your parents **Tax Transcripts**, you can request this information online at the link below:
<https://www.irs.gov/individuals/get-transcript>
 - Failing to use your legal name: Your name must be listed on your FAFSA as it appears on your Social Security card. Don't enter nicknames or other variations on your name
 - Leaving blank fields: Too many blanks may cause miscalculations and an application rejection. Enter a '0' or 'not applicable' instead of leaving a blank.



Food for Thought

- Regardless of how you fund your education, it is an investment into your future....Invest wisely!
- If you have any questions about your Student Financial Aid or Loans, contact your schools Financial Aid Office right away.
- Before making changes to your schedule, plan of study or major you should speak with your advisement counselor, your EAS, and your Financial Aid Office to see if AND how it will affect your funding.
- Make the Financial Aid Office staff your friend. They are the ones helping you find money to pay for school. BE NICE TO THEM!!
- Be mindful of your Cash Flow. Keep more money coming in than going out.
- The debt you get into today will haunt you tomorrow.
- Be aware of WANTS vs NEEDS

Your Money... Your Goals!!



Pop Quiz

YES There is a quiz.

This quiz was sent to you via email. Be sure to include your name so that you get credit and submit your completed quiz with your HEAP application.

