



Financial Aid 101

About MEFA

State authority created by the Commonwealth of Massachusetts in 1982, helping families plan, save, and pay for college



Webinar Topics

- Types & Sources of Financial Aid
- The Application Process
- How Financial Aid Decisions Are Made
- Paying for College
- What You Can Do Now



Types and Sources of Financial Aid

What is Financial Aid?

- Financial aid is money to help students pay for college
- 3 main types:
 - Grants and scholarships (gift aid)
 - Merit or Need-Based
 - Federal work-study
 - Federal student loans



Federal Direct Student Loans

- Student is the sole borrower
- No credit check
- Subsidized and Unsubsidized
- 6.39% fixed interest rate for 2025-26
- Repayment:
 - No payments due while enrolled
 - Multiple options (many tied to income)
 - Total borrowed for 4 years: \$27,000 max
 - Estimated payment: \$300/month for 10 years
 - Estimated total debt: \$32,000-\$34,000
 - Deferment, forbearance, and forgiveness opportunities

Annual Loan Limits	
Freshman Year	\$5,500
Sophomore Year	\$6,500
Junior Year	\$7,500
Senior Year	\$7,500

Sources of Financial Aid

Federal	Massachusetts
• Grants, work-study, loans, tax incentives • StudentAid.gov	• Grants, scholarships, tuition waivers, loans • mass.edu/osfa
College/University (institutional aid)	Other Agencies
• Grants, scholarships, loans	• Scholarships: Search through mefapathway.org and fastweb.com, and check with your school counselor
\$190 billion*: The total amount of aid undergraduate students received in 2023-24	

**Trends in Student Aid 2024, The College Board*

The Application Process

Financial Aid Timeline

- Check deadlines and required applications on each college's website now
- You will likely apply for financial aid before you receive the admissions decision
- Early Action/Decision deadlines are often in October or November
- Standard deadlines are typically in February or March
- MEET APPLICATION DEADLINES!
- Use MEFA's College Application Manager to stay organized
mefa.org/college-application-manager

FAFSA®

- Free Application for Federal Student Aid (FAFSA)
- Required by all colleges
- Must complete every year
- Available on Oct 1st
- Steps to complete:
 1. Go to fafsa.gov and select the 2026-27 FAFSA
 2. Have student start the FAFSA (**highly recommended**) and then invite all other contributors (parents)
 3. Each contributor will complete their own separate section
 4. Last contributor to complete can submit the FAFSA
 5. Incomplete FAFSAs are deleted after 45 days of no activity



Watch MEFA's *Understanding the FAFSA* webinar at mefa.org/webinars for step-by-step guidance

FSA ID

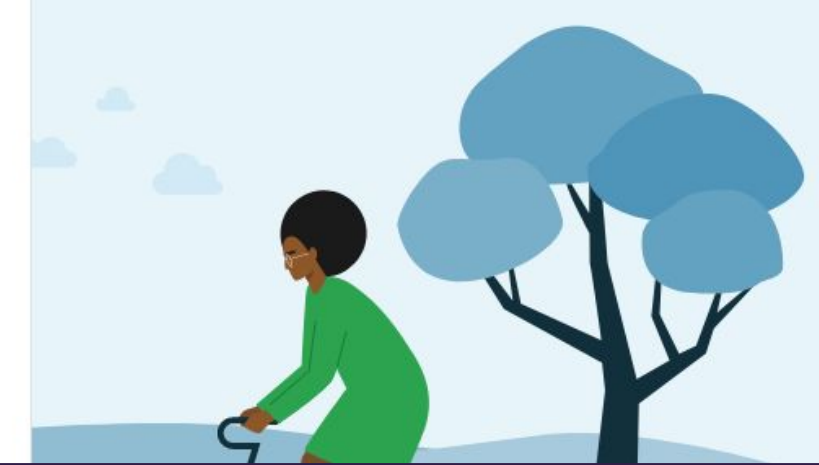
- FSA ID = username and password for the FAFSA
- Must have an FSA ID to log in
- Can set up your FSA ID now at studentaid.gov/fsa-id/create-account
- Must have an email address
- Who needs an FSA ID?
 - Student
 - Every parent listed on the FAFSA
 - If parents filed taxes jointly, only one parent needs one
 - Student's spouse (if applicable) if filed taxes separately or didn't file
- Those without an SSN will answer knowledge-based questions pulled from credit history

Create an Account

Whether you're a student, parent, or borrower, you'll need to create your own account to manage the student loan journey.

Get Started

Already have an account? [Log In](#)



What's Reported on the FAFSA?

- General Information
- Student citizenship status
 - All U.S. citizens and eligible non-citizens can receive federal financial aid
 - Undocumented students may be eligible for MA in-state tuition and state aid
- Colleges where student is applying (each one will receive your FAFSA)
- Parents
 - Married, including same-sex parents, include both
 - All parents who live together, married or not
 - Divorced/Separated: parent who provided more financial support in last 12 months & current spouse
 - If parents provided equal support, use the parent with greater income and assets
 - Legal guardians are NOT a parent
- # in household: will pull from IRS but family can update
- # of children in college: will not be used in calculation

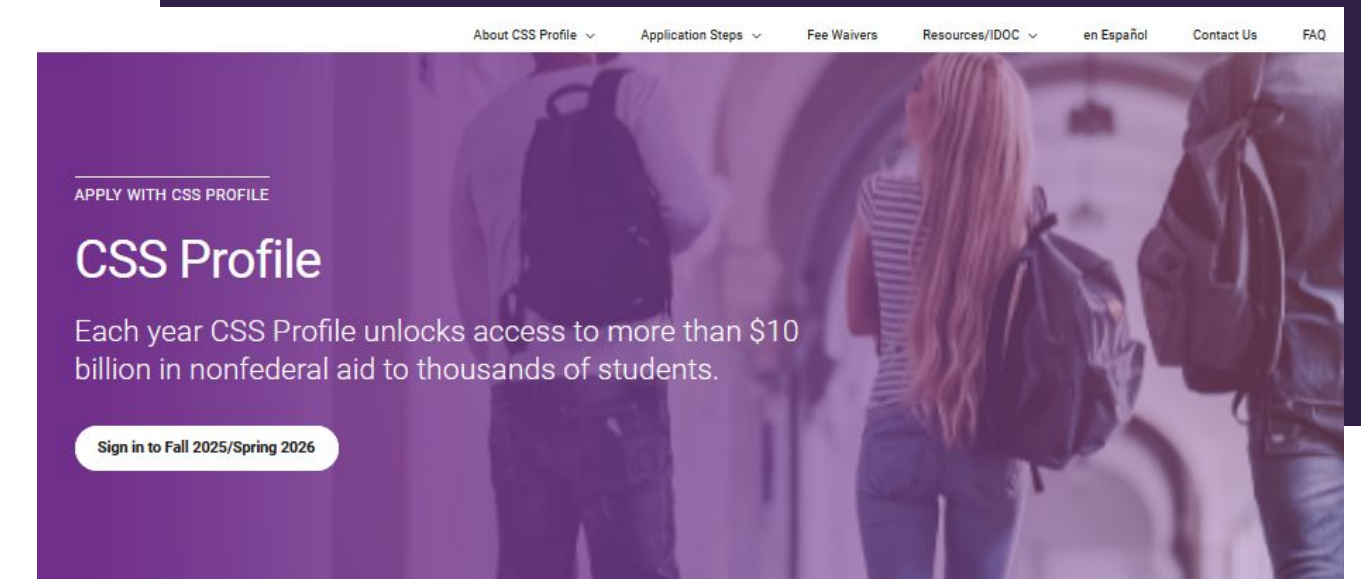
What's Reported on the FAFSA?

- Financial Information
- Parent and student income (2024 income for the 2026-27 FAFSA)
 - Will pull in federal tax data from the IRS (must give consent)
 - Both taxed and untaxed income that appears on the tax return
- Parent and student assets
 - Include value of savings, checking, investments, larger businesses except commercial fishing businesses, other property
 - Include education savings accounts as a parent asset and don't report the ones for other children
 - Do not include primary home, value of retirement, life insurance, family farms, small businesses, or commercial fishing businesses
 - Child support received is considered an asset
- Debt is not reported except debt on reported assets

Other Financial Aid Applications

CSS Profile®

- cssprofile.org
- Required by some colleges and universities
- \$25 for 1st school, \$16 for each additional
- Fee waivers if parent income is \$100k or less or family meets certain other criteria
- Becomes available October 1st
- Noncustodial parent submits a separate profile
- *What to Know about the CSS Profile webinar*



College Financial Aid Application

- Required by some colleges and universities

After You Apply

- Colleges and the state receive data electronically
- Student will receive a FAFSA Submission Summary (FSS) by email
- Colleges may request additional documentation due to (mandatory) Verification
- Colleges review applications and determine the financial aid offer
- Financial aid may be sent with the admissions decision or after
- Review college websites to learn about each school's timing

Verification

- Colleges verify data on financial aid applications
- Students selected by Department of Education or college
- Must comply with all requests to receive financial aid
- Families must submit additional documentation as requested:
 - Tax Return Transcript
 - Verification Worksheet
 - Asset Account Statements
- Review all correspondence from colleges
- Log into college web portal for communications
- Create a family email address for the financial aid process so no requests are overlooked



Financial Aid Office

Learn about Your Financial Aid	• Financial aid renewability criteria (financial, academic) • How will a private scholarship affect my financial aid?
Ask about Special Considerations	• Changes in family circumstances • Can I appeal my offer? How?
How to Contact the Financial Aid Office	• Phone call • Email • Chat (if offered)

How Financial Aid Decisions are Made

Cost of Attendance (COA)

**COA = Total Expenses for
One Year of College**



= Billed or Direct Expenses



= Non-Billed or Indirect Expenses

Tuition & Fees

+

Food & Housing

+

Books & Supplies

+

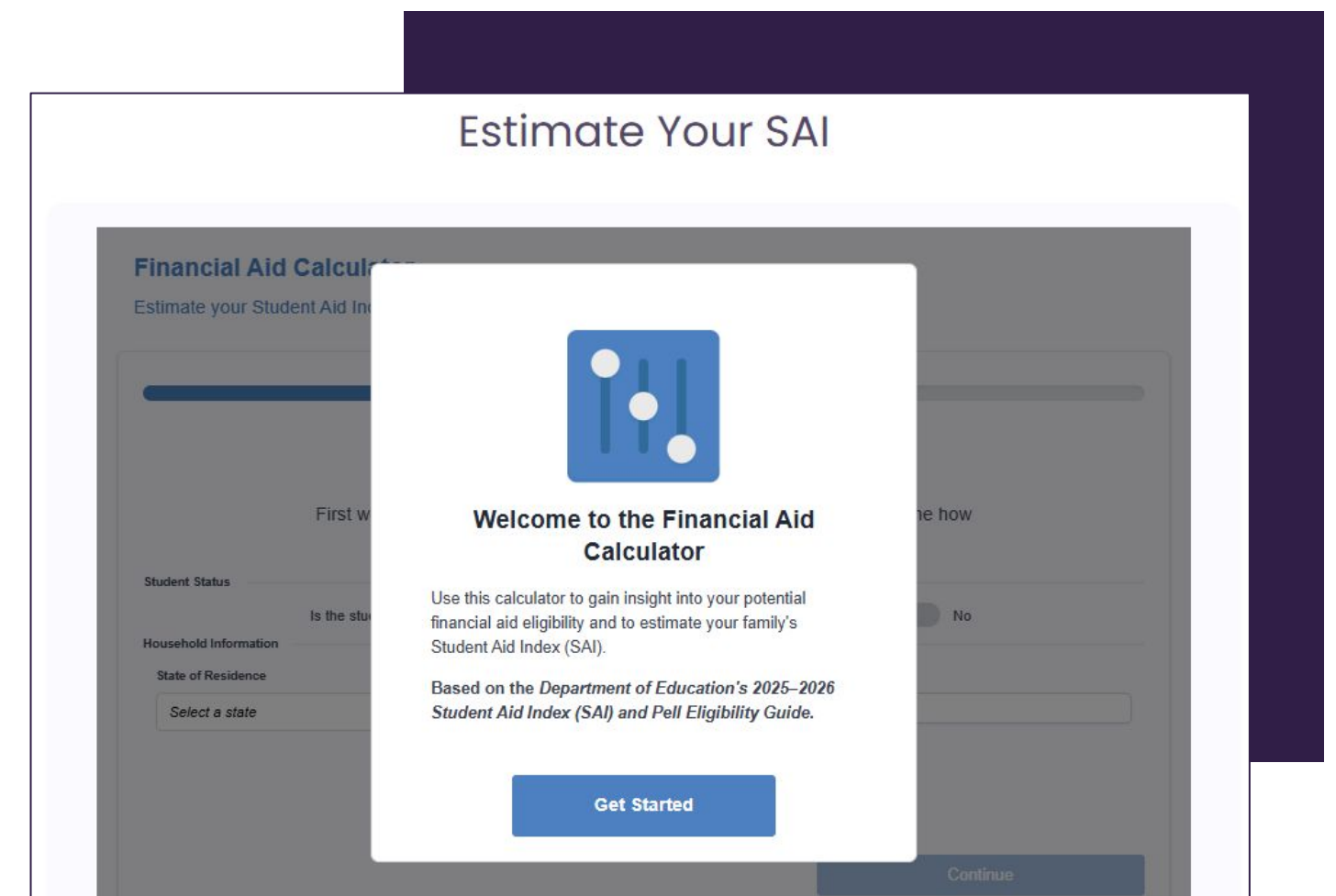
Transportation

+

Personal Expenses

Student Aid Index (SAI)

- Number that represents a family's financial strength
- Same federal formula used for every family
- Income weighs much more heavily than assets
- Some colleges also use an institutional formula
- Family has the primary responsibility for paying
- Not necessarily what the family will pay
- **SAI Calculator at mefa.org/sai-calculator**



Financial Aid Formula

**Colleges fill in
Financial Aid
Eligibility with
financial aid from
all sources**

Cost of Attendance (COA)

-

Student Aid Index (SAI)*

=

Financial Aid Eligibility

*Note that a negative SAI is treated as zero in this formula

Financial Aid Awarding

**College
Cost of
Attendance**
\$45,000

Unmet need and
SAI are the
FAMILY's
responsibility

Unmet Need	\$5,000
Work-Study	\$2,000
Student Loans	\$5,500
Grant Scholarship	\$17,500 \$10,000
SAI	\$5,000

Offer Letters: Totals Can Vary



College Cost of Attendance

\$45,000

Student Aid Index (SAI)

\$5,000

Total Eligibility

\$40,000

	College A	College B	College C
Grants/Scholarships	\$32,500	\$25,500	\$17,500
Student Loans	\$5,500	\$5,500	\$5,500
Work-Study	\$2,000	\$2,000	\$2,000
Total	\$40,000	\$33,000	\$25,000
Unmet Need	\$0	\$7,000	\$15,000

Use MEFA’s College Cost Calculator to compare awards: mefa.org/college-cost-calculator

Offer Letters: Types Can Vary



		College A	College B	College C
College Cost of Attendance \$45,000 Student Aid Index (SAI) \$5,000 Total Eligibility \$40,000	Grants/Scholarships	\$27,500	\$17,500	\$7,500
	Student Loans	\$5,500	\$5,500	\$5,500
	Parent Loans	\$0	\$10,000	\$20,000
	Work-Study	\$2,000	\$2,000	\$2,000
	Total	\$35,000	\$35,000	\$35,000
	Unmet Need	\$5,000	\$5,000	\$5,000

Use MEFA’s College Cost Calculator to compare awards: mefa.org/college-cost-calculator



Paying for College

Net Price Calculators

- Online tool found on each institution's website
- Asks questions about family finances and student academics
- Provides personal, estimated net college price
- Displays federal & institutional aid
- Merit-based aid may also be included



Filling SAI and Unmet Need

Balance Due: \$20,000

Past Income (Savings)	
Student Savings	-\$1,000
Parent Savings	-\$4,000
Present Income (Current Wages)	
Parent Contribution to Payment Plan	-\$5,000
Future Income (Borrowing College Loans)	
Education Loan	-\$10,000
	\$0

Family Conversations on Affordability

- What is each school's net price?
- Who will pay for college costs?
- Consider community college first (free tuition and fees in MA)
- Consider the number of children in the family going to college
- Make a 4-year financing plan
- Federal PLUS Loan caps as of 7/1/26: \$20k/year, \$65k in total
 - 2026-2027 PLUS Loan interest rate = 8.94%
- Think in terms of family total debt (4+ years of school) and student's potential starting salary



Paying for College in MA



Free and Affordable College

Free and affordable college tuition and fees are here across public Massachusetts community colleges and four-year universities!

To apply for MA state financial aid, complete the FAFSA ASAP after Oct 1st

<https://www.mass.gov/free-and-affordable-college>

- **MassEducate:** Free community college (tuition & fees and potential book allowance) for all students
- **Mass Reconnect:** Free community college for adults over 25 years of age
- **MASSGrant Plus & MASSGrant Plus Expansion:** Free or reduced tuition & fees for low & middle-income students and potential book allowance (Expansion only)
- **Tuition Equity Law:** Some undocumented students can receive MA state aid and in-state tuition rates by submitting the MASFA (<https://www.mass.edu/tuitionequity/home.asp>)
- **MassTransfer:** Makes transferring from a MA community college to a 4-year MA public college more affordable
- **Tuition Break:** Reduction on out-of-state tuition costs at New England colleges for certain programs (<https://nebhe.org/>)



What You Can Do Now

Connect with MEFA: Emails

Scan the QR code to sign up for MEFA emails on relevant college planning topics.



- Don't Miss MEFA's Guidance!
- Upcoming webinars
 - Financial aid tips
 - Important deadlines
 - Scholarship lists
 - Key articles
 - And much more



Staying on Track Through Senior Year

Spring/Summer Junior Year

- Research colleges
- Visit campuses and college fairs
- Ask teachers for letters of recommendation
- Take the SAT/ACT
- Start writing the college essay

Fall Senior Year

- Retake the SAT/ACT
- Secure letters of recommendation
- Finalize the college essay(s)
- Attend MEFA's *Financial Aid 101* webinar
- Complete all admissions applications
- Submit early admissions applications
- Get an FSA ID and submit the FAFSA
- Submit the CSS Profile if required

Winter Senior Year

- Submit admissions applications
- Apply for private scholarships
- Send in mid-year grade reports

Spring Senior Year

- Receive admissions and financial aid offers
- Attend MEFA's *Financial Aid Offers & the College Bill* webinar
- Attend college open house programs
- Choose your college by May 1st

View an extended timeline at: mefa.org/college-admissions-and-financial-aid-timeline

Your Next Steps

- Get an FSA ID for the student and parent(s)
- Research deadlines and required applications
- Complete the FAFSA and CSS Profile (if needed) starting Oct 1st

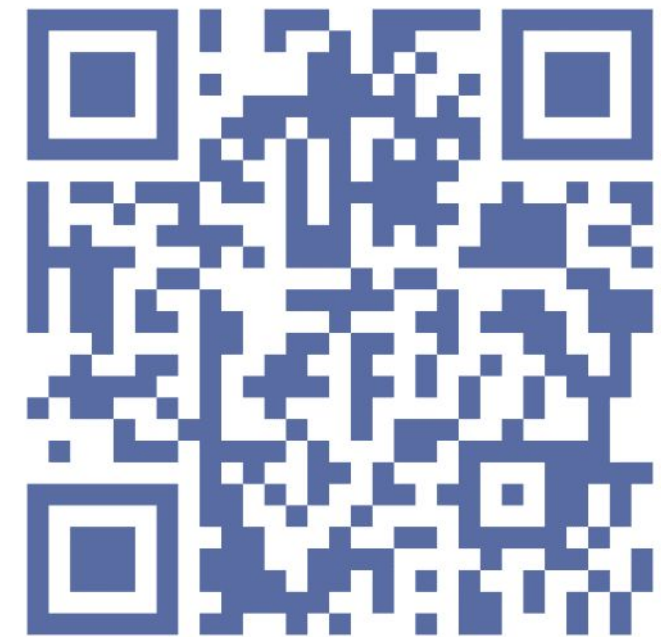
**Register for other
MEFA webinars**



**Reference MEFA's
Timeline for College
Admissions and
Financial Aid**

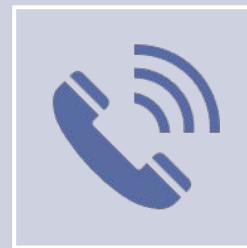


**Sign up for
MEFA's emails**



Thank You!

Questions?



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