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# Financial Aid Myths or Mistakes we see in Our World

Right or Ridiculous?

I only need to  
complete the FAFSA  
once

# RIDICULOUS

- ▶ Every year a FAFSA needs to be completed for the appropriate award year the student will be attending
- ▶ Eligibility can change from year to year based on changes in income, savings, assets, family size, number of family members in college, ect

Right or Ridiculous?

**I'll have to update my  
FAFSA after I file my  
taxes in the spring**

# RIDICULOUS

- ▶ In most cases a students and/or parent(s) should have their taxes filed for the current year FAFSA they are completing
- ▶ Use taxes two years prior
  - ▶ 2020-21 FAFSA - uses 2018 tax information
  - ▶ 2021-22 FAFSA - uses 2019 tax information
- ▶ Better yet - transfer tax information directly from the IRS using the Data Retrieval Tool in the FAFSA

Right or Ridiculous?

I missed the FAFSA  
“deadline” - can I still  
apply?

# RIGHT

- ▶ Priority Funding Deadline for the State of ND - as soon as possible after October 1 and awards made until funds are depleted
- ▶ FAFSA timeframe:
  - ▶ 2020-2021 - October 1, 2019 - June 30, 2021
  - ▶ 2021-2021 - October 1, 2020 - June 30, 2022
- ▶ Students who submit the FAFSA after the priority deadline may miss out on being considered for Campus Based Aid programs (Federal SEOG and Federal Work Study)
- ▶ Students are still eligible for Federal Pell Grants and Federal Direct Loans even if they submit a FAFSA well into the academic year

**Right or Ridiculous?**

**My family makes too  
much money to qualify  
for financial aid.**



# RIDICULOUS

- ▶ Don't assume families won't qualify for federal student aid
- ▶ There is no income cut-off to qualify
- ▶ Family size, number in college, assets and income all influence eligibility
- ▶ Unsubsidized Federal Direct Loans and Parent PLUS loans are available to all applicants regardless of need
- ▶ Students may qualify for state or institutional funding as well that they may not be aware is available

Right or Ridiculous?

**Student's parent(s) who  
don't claim them on their  
income tax return are still  
considered dependent**

**RIGHT**

# Right or Ridiculous?

**Student is considered independent because they support themselves with no financial support from their parent(s)**

# RIDICULOUS

- ▶ These have no impact on if a student is independent or dependent
- ▶ To be considered independent for the 2021-2022, the student must be:
  - ▶ Born before January 1, 1998
  - ▶ Enrolled in a graduate/professional program
  - ▶ Married as the date the FAFSA is filed
  - ▶ Have children/dependents that the student provides more than 50% support
  - ▶ An orphan, in foster care, or a ward of the court after age 13
  - ▶ Emancipated minor as determined by a court in their state of residence
  - ▶ Currently on active duty or a veteran of the armed forces
- ▶ Being independent does not necessarily mean more aid

Right or Ridiculous?

**If I get married I'm  
guaranteed to qualify  
for more federal  
financial aid**

# RIDICULOUS

- ▶ Being independent doesn't necessarily mean more aid
- ▶ Household size, adjusted gross income, number in college can really fluctuate the calculation of what federal aid a student receives
- ▶ Both student and spouses tax information needs to be included on the FAFSA - even though they filed single for that tax year

Right or Ridiculous?

**Federal student aid is  
just “free money” like  
grants**



# RIDICULOUS

- ▶ Federal student aid includes three different kinds of financial aid:
  - ▶ Grants
    - ▶ Pell
    - ▶ SEOG (Supplemental Educational Opportunity Grant)
    - ▶ State Grant
  - ▶ Low-interest loans
    - ▶ Subsidized
    - ▶ Unsubsidized
  - ▶ Work-study
    - ▶ On campus employment

Right or Ridiculous?

**I have to be a full time  
student in order to  
receive financial aid**

# RIDICULOUS

- ▶ Some programs require full time enrollment and may be affected - i.e. scholarships
- ▶ Federal loan programs require students to be enrolled in a minimum of 6 credits as a undergraduate
- ▶ Federal Pell Grant as well as the ND State Grant are prorated based on how many credits the student enrolls in
  - ▶ If a student is reported for never attending a class after financial aid has disbursed then the Federal Pell Grant and State Grant will be adjusted

# Common FAFSA Mistakes

- ▶ Not completing the FAFSA form
- ▶ Not filling out the FAFSA as soon as its available - maximizing eligibility
- ▶ Filling out the incorrect FAFSA for the year/semester attending
- ▶ Not using the IRS Data Retrieval Tool
- ▶ Providing incorrect family size information on FAFSA
- ▶ Number of family members in college
- ▶ Asset question on the FAFSA
- ▶ Not signing the FAFSA form

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# Questions?