



# Financial Aid 101



OFFICE OF  
FINANCIAL AID  
UNIVERSITY OF MICHIGAN

# Discussion Topics

- **What Is Financial Aid?**
- **Types of Financial Aid**
- **College costs and Cost of Attendance**
- **Financial Aid Eligibility**
- **Applying for Financial Aid at U-M**
- **Next Steps**
- **Planning Tools**
- **Tips for Students and Families**

The information presented is based on current circumstances and is subject to change. Please refer to specific schools/institutions for additional information.





# What Is Financial Aid?



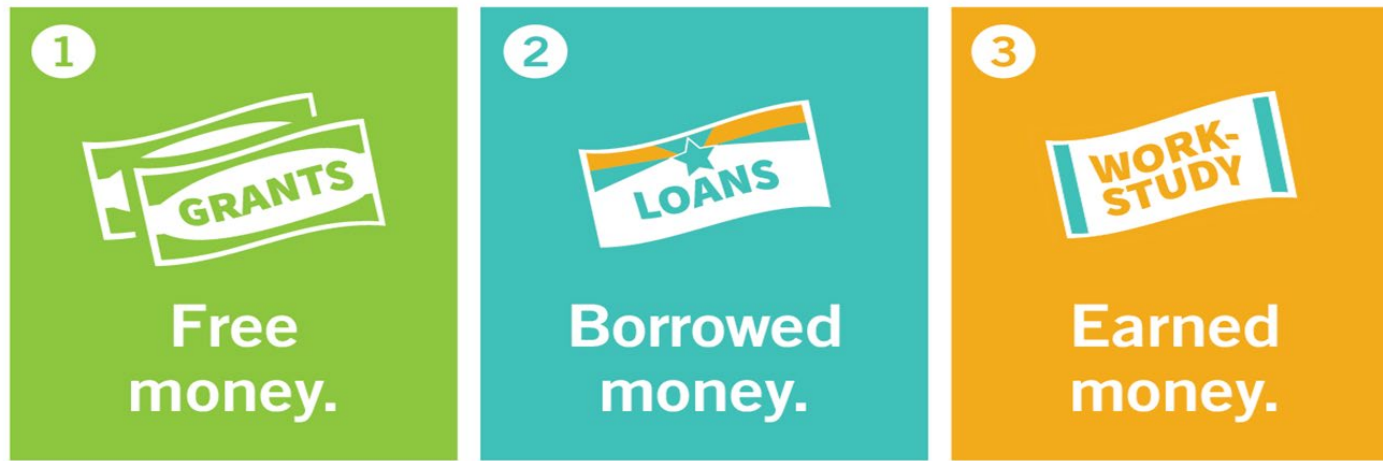
**Financial aid is money used to pay for college**

# What Is Financial Aid?

## Financial aid IS NOT

- Credit cards
- Shopping
- Buying a car
- Partying
- Spring break/vacation

# Types of Financial Aid



**Grants**, some **scholarships**, **Work-Study** and a **subsidized federal loan** are need-based.

An **unsubsidized loan** is NOT need-based, and students can receive one as long as there is a financial need and the FAFSA has been completed.

# Types of Financial Aid

## Free money (also called Gift Aid)

- **Scholarships**
  - Earned in some way: grades, skills, service, etc.
  - Awarded by a variety of organizations
  - May, or may not, require FAFSA and/or other applications

# Types of Financial Aid

## Understand your scholarship

- **One-time vs. renewable**
  - If renewable, are there requirements?
  - GPA
  - Major specific
  - Full-time
- **Tuition-specific scholarship**
- **What's the value of the scholarship?**
  - Full ride vs. partial (will you have remaining costs?)

# Types of Financial Aid

## Watch for scholarship scams

- Scholarships with application fee
- No contact telephone number
- Unsolicited scholarship opportunity
- Hype or pressure to participate
- Scholarship services that guarantee success
- Social Security number, checking/savings account info requested

## More information:

- [studentaid.gov/resources/scams](https://studentaid.gov/resources/scams)





# Types of Financial Aid

## Free money (also called Gift Aid)

- **Grants**
  - Need-based
  - Must complete FAFSA to apply
  - May need to complete other applications such as CSS Profile or other institutional forms

# Types of Financial Aid

## Go Blue Guarantee

- Free U-M tuition for four years
- Must qualify for in-state tuition and be earning first bachelor's degree
- Family income of \$75,000 or less and assets below \$75,000
- Must apply and be eligible for financial aid
- More information: [goblueguarantee.umich.edu/ann-arbor](https://goblueguarantee.umich.edu/ann-arbor)
- Eligibility: [finaid.umich.edu/go-blue-guarantee-eligibility](https://finaid.umich.edu/go-blue-guarantee-eligibility)



### FREE TUITION

for families with incomes \$75,000 & under  
& assets below \$75,000

**Tuition support for some families earning more**

Four years for qualifying in-state students on the Ann Arbor campus



# Types of Financial Aid



## Earned money: **Work-Study**

- Get paid for your work
- Receive biweekly paychecks
- Have flexible work schedules
- Consider on or off campus opportunities
- Students not awarded Work-Study with their financial aid notice may apply for other jobs on- and off-campus

# Types of Financial Aid

## Borrowed money: Loans

- Borrow only what is REALLY needed
- Repayment begins after graduation
- Federal Loans from the FAFSA
  - **Federal Subsidized Direct Loans:** student is borrower, interest does not accrue until repayment
  - **Federal Unsubsidized Direct Loans:** student is borrower, interest accrues day one



# College Costs and Planning Tools

## Direct Costs

- Paid DIRECTLY to the university (billed twice per year):
  - Tuition & fees
  - Food & housing

## Indirect Costs

- Paid to others and can include:
  - Books, course materials, supplies & equipment
  - Miscellaneous personal expenses
  - Transportation

# College Costs and Planning Tools

## U-M Cost of Attendance

	In-State	Out-of-State
Tuition & Fees**	\$ 17,736	\$ 60,946
Living Expenses‡	\$ 15,328	\$ 15,328
Books, Course Materials, Supplies & Equipment	\$ 1,158	\$ 1,158
Transportation	\$400	\$400
Misc. Personal	\$ 2,310	\$ 2,310
<b>TOTAL</b>	<b>* \$ 36,932</b>	<b>* \$ 80,142</b>

\* This is the maximum amount of financial aid you can receive.

\*\* Tuition and fees listed are based on approved rates for the 2024-2025 academic year. Rates are approved each June by the U-M Board of Regents and estimated budgets are updated at that time. Tuition and fees may be higher or lower depending on a student's program of study; these estimated budgets use information from the College of Literature, Science and the Arts. Current tuition information is available through the Office of the Registrar.

‡ Based on the unlimited basic residential meal plan.



# Financial Aid Eligibility

## **Student Aid Index (formerly known as the Expected Family Contribution)**

- Calculated using a federal formula with information from the FAFSA
- Parent contribution and student contribution
- The same at every institution

# Financial Aid Eligibility

## Calculating Financial Need

	Cost of Attendance (Budget)		\$26,000
	Student Aid Index (SAI)	-	\$ 4,000
	Other Aid or Resources (such as private scholarships)	-	\$ 0
	<b>Your Need for Aid</b>	<b>=</b>	<b>\$22,000</b>





# Applying for Financial Aid



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# Completing the FAFSA: Where

An official website of the United States government. Help Center Submit a Complaint English | Español

Federal Student Aid  
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

FAFSA® Form ▾ Loans and Grants ▾ Loan Repayment ▾ Loan Forgiveness ▾


## A Better 2024–25 FAFSA® Form

The 2024–25 FAFSA form is now available. We've started sending submitted applications to colleges and states. [Learn more about 2024–25 FAFSA updates.](#)

### 2024–25 FAFSA® Form

[Start New Form](#) [Access Existing Form](#)

Need to access last year's form? [Edit a 2023–24 FAFSA Form](#)




### Check FAFSA® Deadlines for the State You Live in

Some states and colleges use information from the FAFSA form to determine your eligibility for their grants, scholarships, and loans. Check your state's deadlines here!

Missing a state deadline does not impact your eligibility for federal student aid, so fill out your FAFSA form even if your state deadline has passed.

School Year  State of Residence  [Find Deadlines](#)

[View All FAFSA Deadlines](#)



## Complete the FAFSA

- It's free, easy, fast, and more people qualify for student aid than you think.



# Completing the FAFSA: When

## Two Applications



**FAFSA:** [studentaid.gov/h/apply-for-aid/fafsa](https://studentaid.gov/h/apply-for-aid/fafsa)

- Free application
- State, federal, and private financial aid resources



**CSS Profile:** [cssprofile.org](https://cssprofile.org)

- \$25 application fee
  - Need-based U-M grants and scholarships
- 
- Priority deadline: **March 31**
  - Suggested Filing Date: **Dec. 15**

# Completing the FAFSA: How

## Important documents and steps

- Income data will be transferred using the IRS Direct Data Exchange on the FAFSA
- Create your FSA ID in advance
- 2023 Tax Return
- Bank/asset statements
- Child support (paid or received)
- Other untaxed income



# Completing the FAFSA: Why



## Why should you complete the FAFSA?

- Student Aid Index (SAI) determines your aid eligibility
- Gain access to multiple sources of aid
- Can list multiple schools on your application



# Completing the FAFSA: What

## FAFSA: What should I expect?

- Multiple sections are for student information
- Invite parents, also called FAFSA contributors, to add their information directly to the application
- “As of today” language



# Completing the FAFSA: Who

- **Each Student**
  - Parent data can be transferred for multiple children
- **FAFSA Contributor(s)**
  - Both parents (biological, step-parent, adoptive) if married
  - Only one parent if single, divorced, or separated (the parent that claims the student as a dependent on their 2023 taxes)
  - If both parents live in the same house and are not married both incomes go on FAFSA

# Dependent vs. Independent

## FAFSA: Dependent vs. Independent

- **Dependent** (most students are dependent)
  - Requires parental information
- **Independent** (No parental information required if):
  - Married
  - At least 24 years old
  - At any time since you turned age 13, both your parents were deceased, you were in foster care, or you were a Ward of the Court/State
  - Have a dependent that you provide more than 50% support for
  - Homeless

*(This is a sample of questions on the FAFSA that determine independent student status.)*



# Important Dates



## When should you complete the FAFSA?

- Fill out the **2025-2026 FAFSA** as soon as possible after it becomes available.
- The state of Michigan deadline is **May 1**.
- U-M deadline is **March 31** (we recommend completing applications by March 1 in case additional documentation is needed).
- FAFSA is an annual application. File it every year!
- If you apply by the suggested filing date of **Dec. 15**, and are admitted Early Action, you will receive a preliminary financial aid package sooner.

# Applying for Financial Aid

## **FAFSA: frequent errors**

- Incorrect U-M school code (be sure to select the UM-Ann Arbor school code: 002325)
- Social Security numbers
- Divorced/remarried parental information
- Student/parent income
- Real estate & investment net worth
- Work-Study preferences

# Next Steps

## What's next?

- Make necessary FAFSA corrections
- Complete institutional forms
  - CSS Profile
  - Scholarship applications
  - Verification
- Additional documentation (Federal Tax Transcripts, W-2s)
- Estimated Aid Notices will be sent in early 2025
  - Based on initial calculated need
  - Not binding, simply an offer

# Next Steps

## Reporting Special Circumstances

- Change in employment, death, marital status, one-time significant benefit, large out-of-pocket medical expenses, etc.
- Cannot report on FAFSA
- Send explanation to each financial aid office
- All special circumstances will be reviewed, and a FINAL decision will be made\*

If you have an unusual circumstance where parental data cannot be provided on the FAFSA, contact the Office of Financial Aid about your options.

\*Cannot appeal this decision to Department of Education



# College Costs and Planning Tools



## Planning tools

[finaid.umich.edu/tools-resources/  
planning-tools-calculators](https://finaid.umich.edu/tools-resources/planning-tools-calculators)  
[#comparing-financial-aid-offers](https://twitter.com/comparing-financial-aid-offers)



**College Scorecard  
compares colleges  
from around the country**

[collegescorecard.ed.gov](https://collegescorecard.ed.gov)





# College Costs and Planning Tools

## Net Price Calculator

- A free, interactive tool that provides estimated net cost
- Uses institutional data
- Calculates individual situations
- [npc.collegeboard.org/app/umich](https://npc.collegeboard.org/app/umich)



## Federal Student Aid Estimator

- Free federal tool
- Early estimate for federal student aid
- Offers options to pay for college
- [studentaid.gov/aid-estimator/](https://studentaid.gov/aid-estimator/)



# Tips for Students and Families



- **Consider payment plans**
- **Know before you Go Blue!**
- **Satisfactory Academic Progress**
- **Apply for scholarships every year**
- **Meet all deadlines**
  - Check & respond to your email
  - Check & respond promptly to requests
- **Problems/issues**
  - Talk to the experts on campus

# Thank You

## **Office of Financial Aid**

515 E. Jefferson St.  
Ann Arbor, MI 48109-1316

[finaid.umich.edu](http://finaid.umich.edu)

## **Outreach Unit**

[ofa-outreach@umich.edu](mailto:ofa-outreach@umich.edu)

