Good afternoon everybody and welcome to our February Parent and Family Webinar Series. My name is Danielle Martinez and I work in Academic Support and Retention and will be your moderator for today’s webinar. If you are new to our webinar series, we hope that they provide you with up to date information that can apply to your student’s transition as well as pertinent information on things that are going on here at campus at the University of Iowa. We know that parents and family members play a vital role in student success and we want to be sure that we give you up to date information. We are really lucky that we have one of the most amazing financial aid people that I have ever worked with at any university, Cindy Seyfer, who is the Senior Associate Director of the Office of Student Financial Aid and the Office of Student Employment. And today we are going to be talking about maximizing financial aid and filing the FAFSA, the Free Application for Federal Student Aid, understanding some of the important dates that you might want to be thinking about, and the verification process, and really understanding how finances can impact student success. So as a reminder, each webinar is recorded and posted online at the Academic Support and Retention website so it can be accessed at a later date. Later on, we will have a question and answer portion, but without further ado, let’s get started with our presentation.

Program
Paying for Year 2: Financial Aid Important Dates and Verification Process

Cindy: I joked with Danielle that I looked a little stressed in that picture, and one of the things we want to do is help you not be stressed about this process and making sure that you know that there are a lot of people here on the University of Iowa campus that are willing and able to help you make sure that the Financial Aid process goes smoothly. Financial Aid can be stressful, and money and budgeting can be stressful, so we want to encourage you to, early on, be understanding of what the costs are and having a plan to meet those costs because that will help to reduce the stress that will lead to anxiety and inhibiting the academic success of your son or daughter. Developing a budget before the school year starts helps the student to learn to live within their financial needs. One of the things that we really consider students do is to get a student job. We encourage that for a variety of reasons. Certainly it helps to increase their financial resources, but we have really found that students working on campus do better than their non-working peers. They develop transferable skills that they need for the future that helps keep them connected to campus, that encourages time management and organizational skills, it increases their retention and graduation rates and their GPA more than what their non-working peers would be. Another thing that we want to encourage through learning about your financial aid and the bill, is finding a way to get that bill paid on time. When you pay the bill on time, it eliminates late fees and it eliminates a student worrying about being unable to register on time for the next semester.

So the first thing that you can do to help your student prepare for success is to file that FAFSA to maximize their financial aid. The next thing that you can do is to make sure to work with Student Financial Aid staff if you have questions to make sure that you understand the application process and understand the aid options. The office also employs financial literacy services specialists and your student can meet with those staff members in order to help develop a budget and better understand their loans. In terms of student employment, if your student is having any problems at all finding a job, we are happy to help them with that. We maintain a system called Hire-a-Hawk which is updated daily with student jobs and the students can contact student employment which is in Calvin Hall, or the Career Center which is in the Pomerantz Center, in order to get help with their job search.
Now let’s talk about some specifics on the FAFSA. The first thing to know is that you can file the FAFSA as soon as possible after January 1st. So hopefully many of you have already filed, but if you have not, that is what I would encourage you to set aside for this weekend, to gather the income and other information that you might need, and make sure that you get that FAFSA done this weekend. I’ve listed the website, www.fafsa.ed.gov. I want to make sure that you understand that you can use your 2015 tax estimates. You are not required to have your taxes done. We encourage you to use tax estimates and that is why people are able to file right away on January 1st. Something that is a little bit different from last year is that last year you would have needed a federal pin to electronically sign that FAFSA. That process has changed. Now you will need what is called an FSA ID to electronically sign the FAFSA. This is new since May of 2015 so you may not have an FSA ID yet, and you can get that once you go on to the FAFSA to start that process.

Once you file the FAFSA, there are going to be some students and families who are selected for what is called Federal Verification. I want to make sure that you know that there wasn’t anything wrong with your record or that you did anything wrong or if it’s anything to be extremely stressed over. What it does mean is that the government has decided, because it is the Department of Education, that process is the FAFSA and the Department of Education that established who is selected for verification. What it means is that they are going to need some additional information in order to actually release the financial aid fund to the student. It is not going to slow up the awarding at all to the student, but it will slow up the release. I have listed the reasons why students may have been selected. We might need to verify the income and we would have to get that official information from the IRS. We might need to verify household size and the number in college, just a variety of things there. Another thing that I want to let you know is that our highest number of students who are selected for verification are individuals who are awarded the Federal Pell Grant. The Federal Pell Grant is a need-based grant that is intended for the neediest students, and the federal government wants to make sure that the students receiving that grant are the types of students that it was intended for, the types of students who demonstrate the highest need. So if you receive some type of communications from either the Department of Education or from the Student Financial Aid Office telling you that you are selected for a verification, you just need to follow through on what is being requested of you, and as soon as the FAFSA is filed and is processed, it is going to be determined at that point if you are selected or not, so you are immediately going to get an email from the Department of Education and from the Office of Student Financial Aid alerting you to that.

There are some common errors that create problems for families when they are filing the FAFSA, and I want to point those out in the hopes that you won’t have that happen to you. The first and biggest error is that somebody forgets to sign the FAFSA, either the parent or the student forgets to enter that FSA ID. That error is going to result in the processor not being able to process the form, and so the family is right away going to get an email from the federal processor and the processor is going to tell them that you are going to have to go back in and sign it. So families need to be very mindful of emails and watch for them, and then respond to them quickly. Another common error is that when the parents are filling in the form, they are thinking more about themselves and so when they enter information, they enter in the same information for themselves and the student. So when the form is asking about the student, they want you to respond to the questions only as it relates to the student. So the student’s number is household is going to be one, the number in college is going to be one, and then the income that they earned to be listed on the FAFSA is going to be just what that student earned during the 2015 year. So then of course when the parent is filling it out for the family, then the student is going to be included in that household size number, and the family is going to want to list all of the their income and assets. So just be careful when you are filling out the form, pay close attention to detail. I’ve worked with families in the past who have meant to put $9,000 in child support and they put $90,000. When you finish filling the FAFSA, you are going to get an email from the processor saying that it has been processed and it is going to have on there the expected family contribution. If that figure looks very different than what it was the prior year and there is no good reason for it to be different, I would encourage you to go back and look at the FAFSA and see what you have entered for all of the information. If you have difficulty understanding that, I would encourage you to call the Office of Student Financial Aid so we can make sure that the information that you provided for us is correct. Another common error is not responding quickly to emails. Students are going to get emails from the student financial aid office, and
whenever we send a student an email asking for additional information, we are going to be very specific about what we want. We are also going to send a companion email to the parent each time that we send an email to the student. The email to the parent is going to be simpler in nature and it is going to say simply that we have sent an email to your student, please talk with your student about that email. So we hope that between the two of you, we are connecting in some way or another and that then you respond to us so that any information we still need, we get that done. Errors on the FAFSA are going to cause the processor to not calculate what is called the expected family contribution, and that expected family contribution is what we need in order to award student financial aid. So we are going to send emails and the processor is going to send emails if we are not able to move forward with that FAFSA. So if you can, as soon as you get that email, respond to it, then we will be able to get it corrected so that we can award financial aid by our priority deadline.

Families do experience special circumstances. Things that the FAFSA itself doesn’t really take into consideration. The FAFSA is asking for some kind of black and white kind of numbers, and things aren’t always black and white, so we want to make sure you know that the student financial aid office is here to help you with that. There could be circumstances that could occur like a reduction in income, there could be one time income on a tax return, maybe a capital gain, but it really is more of a gain on paper than it is in real money, there could be high medical expenses, there could be a marriage or a divorce, or unfortunately there could even be a death in the family, and so those are things that you need to make sure you let the student financial aid office know so that we can help you with that. There are also a couple of things that we get questions about, but we are not really able to make any adjustments on, so they would not be really considerate and special circumstance as it relates to financial aid adjustments. Those could be high credit card debt or private educational costs for younger siblings that you are responsible for.

So in terms of awarding, we award our financial aid on a first-come, first-serve basis and grants and scholarships are limited. That is why it is so important to get the FAFSA done now, so that when we do start making our awards, we’ve not run out of that money. Scholarships are limited to eight semesters, so if your son or daughter received a scholarship their first year, they would have received two of those eight semesters and would be eligible for three more years of renewal assuming that they meet all of the renewal criteria. So it is also important to work with your student on that four year graduation rate in sight and that that will be a goal that they can reach before their scholarship runs out. We always award grants and scholarships first, then if the student is interested in work-study, they are going to need to indicate that on the FAFSA, and then they would be awarded that next, and then be awarded the loans. Work study is a student employment program, it is a program that is funded through the federal government and it is considered financial aid and it might reduce the student’s eligibility for other financial aid, but it would only be for the loans. In terms of awards, we are going to make our first awards that first week in March, and we are going to notify students and parents by email that they can go out to ISIS to view the award notice. I would encourage you to, if you have your FAFSA submitted, or you submit it this weekend like we talked about, to be watching for that email the first week in March and then go out and look on ISIS. And if you see anything that is not what you were expecting, maybe the student thought they were going to get work study but they didn’t, maybe they thought they were going to get a scholarship and they didn’t, to contact our office right away so that we can help you get that solved. The other thing that I keep saying and I can’t emphasize enough is the need to file early because once we do make those first awards on March 1st, after that we are basically going to be out of money except for the Federal Pell Grant and loans. So in order to put your student in the running for those limited grants and scholarships, you need to make sure to get the FAFSA filed early.

Scholarships that were awarded at the point of admission by the Admissions Office are renewable. You can go out to the admissions office website and I provided their link there (http://admissions.uiowa.edu/finances/scholarships-first-year-students) in order for you to know what those renewal criteria are. Some examples might be the National Scholars Award if a student is non-resident or the Iowa Scholar Award if they are a resident. Many of those admissions scholarships will require a UI cumulative GPA of 2.0 for renewal, and some of them will require a 3.0. It is important to go out and know what the scholarship criteria are so that your student can make sure to meet those. The Office of
Student Financial Aid awards a scholarship called the Upper Class Tuition Scholarship and that is awarded based both on merit and on financial need. To qualify for that, a student needs to have a UI GPA of 3.0 along with demonstrating financial need along with applying early. Now some of our students may have received our freshman tuition scholarship for this year and that would have been based on their high school record. That is not renewable as a freshman scholarship, it is renewable as an upper class scholarship and for that they will be reviewed based on their UI GPA.

Students are also encouraged to explore other scholarship opportunities on our new Iowa Scholarship portal. This is a system that was just brought up this school year and different colleges and departments are putting their scholarship information in there now and I’ve given you the web link to look at that (https://uiowa.academicworks.com/), and I would encourage you to do that with your student.

When we go to award financial aid, we are going to look first at what the student’s financial need is. The way we determine that is to take the expected family contribution that is processed and determined through the FAFSA, and that expected family contribution is going to vary based on how many students you have in college, so if you have more than one student in college, that EFC is going to be split amongst your students. Then the university knows what the cost will be. We determine the cost of attendance based on working with housing and dining to determine their cost, we do a survey with our students based on books and supplies, based on what they might be spending for personal and transportation, so we use all that information to determine what it is going to cost for students to attend the university of Iowa, and those costs will be different if the student is living on or off campus. I’ve provided you with our web link (http://financialaid.uiowa.edu/cost/undergraduate/2016-2017) for where you can look at the cost, but we will also have a screen next where we are going to be going over the costs in detail. And then the way we get through the financial need is to take the cost and subtract that expected family contribution. Now eligibility for scholarships and grants and for some of the loans, is going to be based on that financial need figure. Then there are other loans where the eligibility is based on what would be considered the remaining cost of attendance. What is left on the cost of attendance after the other financial aid has been applied. That could be awarded based on what is called a parent-plus loan. Sometimes when the family receives their expected family contribution, they might look at that and say that that is more than what I can afford to give to my son or daughter and the PLUS loan is something that can be used to basically replace that expected family contribution. There are also things that your son or daughter can look at in terms of minimizing their costs that would help to reduce what they need to take out in loans but the parent loan is there to help out with that as well.

Now in terms of the cost, when your son or daughter was here this first year, many of them were living on campus, and some of them will choose to live on campus next year as well, but many of them will be moving off-campus. When we looked at financial aid, and we looked at it in terms of how much you might need to borrow, it’s really important to consider what the billed expenses are, what the University is going to bill you and what you owe to the university when you are looking at how much you want to take out in a loan. I would encourage you to borrow what you would need for those billed expenses, as opposed to what we would consider the estimated expenses. So for billed expenses, the student will have the tuition and fees, and if they are living in the residence halls, housing and meals. Now the housing and meals is an estimate for the average student living in a double room. But many of our students might have other costs than that; they might have chosen the full meal plan, they might have chosen a single room. So those costs may vary. It’s best to look at their student housing contract to know what their costs actually are. Now we have our estimated expenses, those are not something that you pay to the university. And I have taken calls from families before asking where they can pay those expenses. Just know that those are expenses that your son or daughter may have but they are dealing with them outside of the university. All of our students are going to have books, then for personal expenses, those are things that they may or may not have much depending on their own spending habits, and then transportation. The transportation allotment may fit very well in terms of students who are Iowa residents or students living in states bordering Iowa. But if your student happens to be from the East or the West coast, those costs may be not enough and you may need to request an increase there, but just know that if you do request an increase, how will be the only way to cover that increase is the loans. You can see that overall the costs are pretty close to being the same whether the student lives on or off campus, but they will vary in the individual components. So we actually think that
housing and meals may cost a student less to live off campus. But again, that will vary based on the apartment that the student chooses and their own spending habits in terms of meals. We think their personal expenses may be higher than they would be on campus because they are going to have things like cable and internet that they’re paying for that they wouldn’t have otherwise paid for. So it’s just important to go through that with your student when you are developing your student’s budget and looking at the amount of loans to borrow.

Something I think that is really important for the family to think about is how can you minimize those costs? Now your student, as we talked about, are going to have to have books, but they could choose to buy used books or they could choose to rent books. Students can rent books from a variety of places. Students can rent from Amazon, my own students for example rent from a place called Chegg, I want you to know I don’t get a kickback on that, I’m just giving it to you as an option for something that worked well for my own students. They could also talk to peers and they might be able to buy a used book from a peer. Personal and transportation again are estimates and there are a lot of ways that students can choose to reduce that, you can be very frugal and just not spend much on personal expenses. We often think that personal and transportation are something that a student can actually get the resources to cover through their student employment job because with student employment they are being paid for their job every two weeks for the hours that they worked during that time period. And again, when we were talking about how to calculate what to borrow, choose to use either the tuition and then the housing and meals if the student is living on campus and if not, what you actually know their budgeted costs for that is going to be.

Now in terms of disbursing the financial aid, when we disperse the financial aid, the federal verification comes into play, and we had talked about how it would not hold up the awarding, but it will hold up getting the student’s financial aid released. We also talked about how we are going to start notifying the student as soon as the FAFSA arrives if the student is selected for verification and we are going to continue those reminders throughout the spring semester and the summer. Now your big reminder is going to come when you see that August bill, because if the student hasn’t completed the federal verification, the financial aid isn’t going to be displayed there. You are going to know that something is wrong and you are going to contact our office. But what we would like to be doing is working with you long before that on what you need to do to get the verification done. Verification can be a stumbling block and we just would like to make sure that it is not one for you. If you have questions in terms of how you need to go about getting that income information, if you have difficulty requesting it through the IRS, you just need to have your student come into the office and meet with somebody, or call our office and we will sit down with the student and even help them request the information directly from the IRS website. When we go to disburse the financial aid, we are first going to be sure that the university bill is paid off. So for students living in the residence halls, we are going to hold off enough financial aid to cover their tuition fees, housing and meals. For students who are living off campus, we are going to only hold off enough financial aid to cover their tuition. The majority of the student’s costs who are off campus may be those off campus living expenses, so we need to make sure that they have the money to pay those. The best way to get that money to the student quickly is to set up direct deposit on ISIS. And so I’ve given you the path there if a student logs into ISIS, they’re going to select Student Records, then under the Finances and Billing tab, they are going to select Bank Information-Refund Account and they are going to enter the bank information. Now the parent who applies for a PLUS loan can also set up direct deposit, but that is a paper form that they have to get from the billing office website. There is not an online form to do that. And that will help in so many ways because if we send out a paper check, it can take a couple of weeks for the family to get the paper check, but if you set up Direct Deposit a couple of days after classes have started, the student is going to have that money in their bank account.

So I’ve emphasized several times that I want you to take advantage of the financial aid office. That is why we are here. So I want to leave you with our contact information. We’ve got our website, you may be able to answer some of your questions just on our website. Your student is always welcome to visit the office during our office hours, you can email the office and you can call. We have financial aid counselors who are available to meet in person with the student or to talk with you or the student on the phone. Many times we will get emails from students very late at night because that is.
when they are up and thinking about things like financial aid or other things. So they will send us an email and they will be able to respond to us the next day and you are welcome to do that as well. I also want to let your student know how to set up a meeting with a financial literacy services specialist to talk about budget counseling or loan counseling. So I’ve given you the link there and you can set up a meeting directly through ISIS. Thank you.

Danielle: Thank you so much Cindy. That was a lot of information and a lot of great resources in terms of navigating the process. We want to open it up to questions to see if there is anything from our viewers today. We have a question around folks who are interested in what happens if they have a life changing event that happens after they have already submitted their FAFSA.

Cindy: That’s a great question, and unfortunately, that does happen. You file the FAFSA early on in January and then something changes. The best way to work with that is to contact the student Financial Aid Office so that we can understand what the change is and then what we can do to help you. It could be that it has been a change in income and then we have to verify how significant that change is, because it has to be a reduction of at least 20% in order for us to make a change on that. And we would work with you on what is called a Financial Need Appeal Form so that you can give us projections for what your 2016 income is going to be as opposed to your 2015 income. It could be that there has been a change in marital status and maybe we would need copies of W-2’s to break out the income for each parent. It could be that there has been a death and then we need to break that income information out as well. So depending on the individual circumstance, we will be able to help you figure out what to do next so please just give us a call.

Danielle: So as you were talking about making a FAFSA with estimates, we have some questions about when do people have to submit the final information on their FAFSA?

Cindy: What I might encourage you to do is to first wait and see if you are selected for verification because if you are selected for verification, you are going to receive information from the department of education and from the financial aid office letting you know what you need to do to resolve that and how to provide the income information to us. If you haven’t been selected for verification, unless the income information is going down, in the vast majority of cases we find that when families use estimates, they do a pretty accurate job, but if things are going to change, they are probably going to change up. I might encourage you to wait until the first award on March 1st, and then after that time, get that finalized tax information in to us and then we can make changes if we have to. The reason I say that is because I’ve worked with some families in the past who have filed the FAFSA right away in January, then they went back in to finalize it with the tax information and somebody forgets to sign it, so then it goes back into that limbo state where it actually isn’t finalized and they don’t realize it’s not finalized until after we’ve made our first awards on March 1st, and then the student loses out on things. So it’s almost better to just wait a little bit. Now if the income turns out to be considerably less than what you projected, then we want to encourage you to go in quickly, make that change, make sure that you sign it, make sure that it goes all the way through and is a finalized form so that we can make sure when we are awarding the student on that lowest income and the highest financial need possible.

Danielle: Folks want to know if their estimated family contribution is already available on ISIS.

Cindy: The expected family contribution is actually not on ISIS. It would not be available for you to see until the student is awarded and you were going in and looking at the award notification. What I would suggest in that case is that you should have gotten an email from the federal processor after the FAFSA was processed and an expected family contribution was determined and in that email you should have been able to see the results. You can also go out to your FAFSA record, go back out to the www.fafsa.ed.gov and look at the FAFSA record. But if you are having difficulty, just call the office.
Danielle: If a student was awarded work-study but they can’t find a job, are there campus resources besides the Pomerantz Career Center that they could look at?

Cindy: Yes, and I am pleased to hear that question because we still have some work-study jobs that have not been filled yet for this semester. So if your student was awarded work-study for this school year and is still interested in finding a job, the first thing that I would encourage them to do is to go out to Hire-a-Hawk (www.hireahawk.com), that is the system that we use to advertise our jobs. They will click on “Student Employment,” we update jobs on there Monday thru Friday and they can see what the different opportunities are. Now if they are having difficulty using the system or knowing how to apply for the jobs, they can come into room 213 Calvin Hall, that is where student employment is, or they can certainly go to the Pomerantz Career Center. But first we can make sure in Calvin Hall that the student understands how the system works and how to search for jobs. Then if the student needs help completing the general application or creating a resume which they might need in order to apply for the job, the student employment staff or the Pomerantz Career Center can help them.

Danielle: And then, how does a student even know if they have been awarded work-study?

Cindy: That’s a great question, work-study can actually be very confusing to the student as they are all working and they are all studying, and they think they are all work-study. But it is a federal financial aid program and sometimes students are not awarded work-study, and though they’ve asked for it, maybe we are out of money. So the easiest place to start is to go out to ISIS, and under the “Financial Aid” heading, they would be able to look at their award letter and see if work-study is on it. Now if work-study is not on it, but they still want to work, I would reassure them that there are going to be a lot of jobs that they can look for. We have probably around 7,000 students who work each year on campus under student employment, where the employer pays 100% of their wage. Then we have about 1,000 students who are working under the work-study program, where the employer pays half of their wage and the federal work-study program pays the other half. So if a student does not have work-study it doesn’t mean at all that they can’t find a job, there will be lots of other opportunities for them.

Danielle: The last question from somebody today is if their student has already set up direct deposit and they are a first-year, do they need to do that every semester, every year, or is it just a one-time shot?

Cindy: It is a one-time shot in terms of the direct deposit, but the only thing I would caution there is that we have two different direct deposit options. One is direct deposit through payroll, and students who are working a job do have to set up direct deposit through payroll, and then we have direct deposit through the billing office, so sometimes students, their first year, might think they have set up direct deposit because they have a job, and have done it for payroll, but they haven’t do it for billing yet. So you want to make sure you have done it in both places if you have a job and you also want to direct deposit your financial aid.

Danielle: That is all the time that we have for today, thank you so much to Cindy Seyfer for joining us. Just a reminder that all of our webinars are posted online, at uc.uiowa.edu/family-resources. If you have additional questions, you can reach out to the Office of Student Financial Aid or to Academic Support and Retention at uc-retention@uiowa.edu for a response from a university staff member. Please join us for our next month’s webinar, which is Academic Support Resources, which will be on Friday, March 4th from noon-1 p.m. We hope that you have a great rest of your Friday. On Iowa, Go Hawks.