

**00:12 - Shannon:** Hey everyone, welcome to the Money Talk Series. I'm going to let people come in, so just hang tight while we kind of let everybody get in here and we're going to have people couple minutes in case they're kind of running late. So, we'll probably start closer to like 1:04 - 1:05

**00:26** – depending upon everybody coming in, so just hang tight. Your cameras and microphones should all be off. I think we've turned it off for you. So, there's no problem there. If you need anything, feel free to type in the chat, but just

**00:38** – hang tight while we let people come in

**02:11** – We'll give it a couple more minutes, just for people to come in.

**02:57** – Clarisa are there more people coming or has been pretty steady, you think it's okay to start?

**03:04 – Clarisa:** It's been pretty steady.

**03:06 – Shannon:** Okay, so we'll go ahead and just get started, so Clarisa people come

**03:10** – just feel free to emit them in. Just let you guys know we are going to record this. We are recording it so that we can put it up on our website later,

**03:18** – where we have all the Money Talk Series, and our goal is to get them all up there by the end of the semester. We just have to work on transcribing everything and then getting it posted online.

**03:28** – So I'm Shannon Osborne, I'm the Assistant Director for Financial Well-Being and the Financial Well-Being team is located in the Students Support and Advocacy Center.

**03:36** – And this is our third episode of our Money Talk Series. This one's on Understanding Financial Aid Options and the Impact of COVID. And I'll pass it to Clarisa who's kind of my moderator and everything to give you an intro.

**03:48 – Clarisa:** Hi, everyone. Thank you for attending our episode three. My name is Clarisa Meza and I am the Graduate Assistant for the Financial Well-Being. If you have any questions or anything, please feel free to just write it down in the chat box and I will make sure to

**04:09** – read out your question. Thank you.

**04:12 – Shannon:** Alright, so I'll go ahead and get

**04:13** – started. So, typically with our Money Talk Series anytime we do a presentation on Financial Well-Being, we like to start with important terms to know.

**04:22** – I kind of reference it as a Financial Well-Being vocab list. So, I think sometimes when you work in

**04:29** – With Financial Aid or work in higher education or anything to do with finances in general, a lot of times people throughout words but you don't necessarily know the meaning behind them.

**04:38** – So the first one I'm talking about is really what is Financial Well-Being. So Financial Well-Being we kind of came up with our own definition because there's so many different ones you can choose from

**04:47** – but we said it's creating a sense of security and feeling centered around having a financial balance in your own life. It's a feeling of having the financial freedom to plan for today, tomorrow, and the future.

**04:59** – Another word is especially because we're talking about Financial Aid here is Cost of Attendance. So Cost of Attendance is the overall cost of education.

**05:08** – including both school related expenses as well as living expenses. So it's not just the cost of you to physically attend Mason, it's the cost of you to be basically be able to live

**05:19** – and attend Mason as well. So, a Cost of Attendance at any school is made up of tuition and fees, room and board, personal, transportation, books, and supplies all make up a Cost of Attendance.

**05:33** – Next is Expected Family Contribution. So, this number comes from the FAFSA and it's the number that is created from income and assets reported on the FAFSA to determine aid eligibility.

**05:44** – Next is Direct Costs. So, within the Cost of Attendance, you have what's called Direct Costs and those are expenses that are related to your education,

**05:53** – those are typically tuition and fees if you live on campus that could be room and board as well as anything that Mason would charge you directly would be what's called Direct Costs.

**06:04** – And then there's Indirect Costs. So, these are expenses that are indirectly related to your education but are expenses that you have in general from being a student; so, books,

**06:12** – room and board, personal, transportation. So, room and board is one of those things that if you live on campus that might be a Direct Costs, where if you live off campus, it's an Indirect Cost.

**06:22** – Books is typically always an Indirect Cost because Mason doesn't charge you to your student account for books and same with transportation going to in from campus would be indirect and personal could be like hygiene, those kind of things like that as well.

**06:36** – So next is Out of Pocket. So, this is, these are the expenses that you might have to cover, whether it be check cash or card

**06:42** – for the difference out-of-pocket. So, for example, once your aid pays to your account to pay your tuition and fees. Let's say your balance leftovers \$1,200 dollars. That means your out-of-pocket expenses after aid is \$1,200 dollars.

**06:56** – Next is a Borrower. It's a person who takes out a loan in their name to pay for expenses.

**07:04** – And then what is a loan? A loan is the money that needs to be repaid by the Borrower and usually has interest.

**07:10** – Co-signer, it's an individual who signs a loan or credit account of another person as support for the credit for the primary signer.

**07:17** – The co-signer becomes responsible for the debt as the primary signer doesn't pay. So, for example, if you apply for private loan and you might get denied.

**07:25** – You might need a co-signer and that co-signer is responsible for the repayment of the loan, if you don't repay it. Some loans do have what's called a Co-Signer Release. So that means if you pay after certain amount of time, your co-signer might be released from the obligation of the loan.

**07:40** – Next is Fixed Interest Rate. So, it's the interest rate that does not change during a fixed period of time. So, no matter what happens in economy or anyone, anywhere like that. That's the interest rate. The up no matter what.

**07:53** – Next is Variable Rate. So, it's the interest that might increase or decrease over time. So, it might be low some years and it might be higher some years, just depends.

**08:02** – I think lastly, we have a Servicer. So, this is often the middle organization that a borrower might repays a lender through the servicer.

**08:09** – So this is really important as well because, for example, I think the next one, actually one more, Lender. Let me move this slide. Sorry.

**08:18** – It's an organization or a person who lend you the money. So, for example, if you're borrowing direct student loans.

**08:24** – The lender is the US Department Education or the federal government so, you're physically bar in the loans directly from the US Department of Education.

**08:31** – And then you're going to repay it to your servicer. So, servicers could be like MOHELA, Nelnet, Great Lakes; they all work for the Department of Education.

**08:40** – But you're not paying it directly to Department of Education. You're paying the loans back to MOHELA, and then MOHELA is sending the money to the US Department of Education.

**08:48** – So Servicer is that middle organization that you physically will give repayments to.

**08:53** – A lot of times people get emails from like MOHELA; for example, and they think that it's spam and they'll just ignore it. There's nothing you have to do while you're in school, but it's just good to know that they're your servicer when you eventually do graduate.

**09:06** – Okay, so now that we've done the vocab list of everything that we're going to jump into really understanding your award

**09:13** – letter that you get offered with Financial Aid and breaking down each category from work study, student loans grant, scholarships, those kinds of things.

**09:22** – So let's start with the FAFSA. So, if you are an eligible US citizen or permanent resident, then you are eligible to complete the FAFSA which stands for Free Application for Federal Student Aid.

**09:32** – Right now, if you logged into fast without calm, you'll see two different festivals, you'll see one that's called the

**09:39** – 2020 - 2021 FAFSA and one that's called a

**09:44** – 2021 - 2022 FAFSA. So, a lot of times people will say, I just don't understand which one I'm supposed to complete and really everything is done within the fiscal. So, the 2020 - 2021

**09:55** – one, that's the current one, we're in is from July 1, 2020 to June 30, 2021 and it mirrors the 2020 - 2021

**10:03** – academic year. So, we are currently in the 2020 - 2021 academic year, because we're in fall semester 2020 everything begins with the fall.

**10:13** – Then we go spring semester 2021 and then summer semester 2021 so each FAFSA will go in that order. So, fall, spring, summer.

**10:22** – So if you've already completed a FAFSA and received fall aid for this semester that same FAFSA will be used for spring semester and summer semester as well.

**10:31** – That's all part of the same academic year and all part of the faster year. Next is the 2021 - 2022 FAFSA that begins July 1, 2021 and ends June 30, 2022.

**10:44** – That FAFSA is used for your, right, fall 2021 semester spring 2022 semester and summer 2022 semester. So, the FAFSA that's open right now is 2021 which is for the current year We're in

**10:59** – and 21-20, 2021 - 2022, which is for the FAFSA that will be used for next year starting in the fall semester. The application always becomes available October 1 of every year.

**11:13** – So last year, on October 1, 2019, the 2022, 2020 - 2021 it's so hard to say that, sorry about that became available and that was the FAFSA it's used for the year, we're in right now.

**11:26** – This October 1, 2020, so this is what are we in; November 18 so roughly a month and a half ago

**11:32** – the FAFSA for next year became open. So, if you wanted to, after this session, you could go ahead and fill out your application for FAFSA, on the FAFSA for next year and get that done. Oops, sorry. I went too far. Oops.

**11:46** – Okay, hold on.

**11:50** – The next is what the tax year will be, so the FAFSA always uses what's called two years prior information. So, the current FAFSA for 20, 2020 - 2021

**12:01** – is based off 2018 tax information and the one for next year will be based off 2019 tax information.

**12:08** – The reason that it's like that is because if you filed your FAFSA today for next year, you don't have your 2020 tax information because 2020 is over yet.

**12:18** – So it used to be the FAFSA didn't become available until January 1 every year. Hopefully people would file taxes early and be able to apply

**12:25** – but really, that just delayed things down for students and the Financial Aid Office

**12:30** – and typically students don't see much change in income from one year to the other. So, the argument was, and they changed it to us two years prior tax information.

**12:39** – However, will go into Income Appeals later on this session if that's needed for your situation but basically,

**12:45** – just know that the two available right now are either for the current year or for next year.

**12:49** – There is a priority deadline and we'll get into what that means too of January 15 of every year. Here at Mason,

**12:57** – the Office of Student Financial Aid says, if you get your FAFSA in by January 15, we can guarantee both on time payment of aid

**13:05** – and we can guarantee that we can give you as much aid possible. So I always recommend that people submit their FAFSA for next year before the end of the current year that they're in.

**13:14** – So that doesn't mean to do the FAFSA right now for next year, I would just recommend doing it before the end of December, so that you go into the new year, knowing you already did the FAFSA and filled that out.

**13:24** – So once you officially done your FAFSA, you could be selected for what's called Verification. So, verification is what the US Department of Education does. So

**13:33** – when you filled the FAFSA, all of it, not all but most of it is basically you filling everything in. So that you're looking your taxes, typing stuff in, you're looking at your cash,

**13:44** – income and assets and everything and typing things in. And so, the Department of Education sometimes randomly selects students for what's called Verification. So, they then put it on the schools to,

**13:54** – for you to submit documents to, like a tax return, transcript or verification form.

**14:00** – And then the Financial Aid Office has to review it to then determine if they need to adjust your FAFSA or change any numbers.

**14:06** – So if you don't get selected for verification, then that's fine. They have a good clean fast so they can use to package you.

**14:13** – If you do get selected for verification, then you might have to submit some things first, and they have to verify you and then you can go through the packaging stage.

**14:22** – So if you do get selected for verification, the Office of Financial Aid will communicate to you if they any verification documents are needed.

**14:30** – I gave you a link as well to the forms of the verification documents, where they can be found and you do some of them online through the Masons Students Services Center.

**14:40** – And again, not everybody gets selected for verification and you won't necessarily get selected every year, back-to-back. You might skip a year, maybe this year you were in the next couple years you weren't.

**14:50** – It's just important to make sure that you're monitoring your email, checking your spam, and junk folders to make sure you're not missing anything from Financial Aid. If you turn in your FAFSA by January, you probably will get communicated if you're selected for verification around

**15:03** – March.

**15:04** – If any documents are needed, which gives you plenty of time before August to turn in those documents. I recommend turning them in around March, April, or May.

**15:12** – That gives the Financial Aid plenty of time over the summer to complete the verification. So, you can come into next fall having completed everything.

**15:19** – The issues that students run into often is, if you wait to do the festival, like the day before fall semester starts

**15:26** – You know, remember fall bills or do that first day of the semester. So, let's say you complete the faster the day before.

**15:31** – Now you have to wait for the faster to get to the school. Okay, now you were selected for verification. Now you have to turn in documents and now you have to contact the IRS to get a tax return transcript.

**15:41** – Now you have to wait to be verified. Now you have to wait to be package. So, all of that. If you're submitting your fast in last minute before the semester begins.

**15:49** – Could be why it takes you about a month or two until you receive that aid package, but then maybe you had a hold on your account, your balances and paid and you're getting late fees.

**15:57** – So that's why I always encourage students to fill out the FAFSA before the end of the year, complete the verification documents ASAP.

**16:04** – And make sure that over the summer. They get packaged and accept all day. So, you can go into the fall semester without having the stress of anything pending that you've submitted everything on time.

**16:14** – Again, if you have any questions don't hesitate to type in the chat and then close the will read through the questions.

**16:21** – So next I want to talk about the types of financial aid. So, remember on the vocab lists. We talked about the Cost of Attendance.

**16:27** – So, how we determine financial need, is really important and I want to explain that to people. So, the Cost of Attendance, remember, is how much it costs to go school and living expenses as well.

**16:37** – You then have what's called the Expected Family Contribution. So that's the number that the income and assets are gotten from the FAFSA.

**16:45** – And so that number. So, you take the Cost of Attendance minus the EFC is the need. So, let's say your cost of attendance to go to school is 50,000

**16:52** – And the EFC from the FAFSA is 20,000, that means you can't get any more than 30,000 of need based aid.

**16:59** – But not all eight is need based you can't get any more than the cost of attendance, but you also can't get any more than need based the rest of it could be non me based. So, let's go a little bit further into what the differences are.

**17:10** – So first we have scholarships. These are in need scholarships are typically need based they are different types of scholarships, but they all do factor into what we call the need.

**17:21** – So they can be based on academic financial need, and talent. So Academic Scholarships are typically ones that you get at the beginning they come in your Admission Letter from the Office of Admissions

**17:33** – excuse me and they're based on your test scores are based on your GPA from high school extracurricular activities, all those various things. So those are Academic Scholarship.

**17:44** – Next you have what's called Financial Needs Scholarships, those are ones where you do look at the cost of attendance and you look expected family contribution determine need in some schools might give you what's called Need-Based Scholarships

**17:58** – Sorry.

**17:59** – Next you have what's called talent scholarships. So, these might be either depending upon if you're an actor, so they could be performing scholarships

**18:09** – if you're a musician, they could be performing scholarships based upon your instrument or they can be athletics and they can be an athletic scholarship, because you play soccer. Those kinds of things. So typically, scholarships are broken down into academic need or talent.

**18:26** – You also have what's called a Department Scholarships. So, I'll get into how there's an application to apply for Department Scholarships. If you don't get any scholarships the first year,

**18:35** – it's a separate application but Department Scholarships are typically endowed or donor base scholarships. So, a donor gives X amount of dollars to the university to say

**18:45** – I want to give to a woman in engineering and so that means the engineering department has a certain amount of money that they can give to students who fit the criteria that the donor is looking for.

**18:56** – There's also outside scholarships, I put in a link to fastweb.com, it's a Google search engine for outside scholarships. So, I definitely recommend looking at that

**19:05** – but outside scholarships could come from anything that you applied for so your church, your high school, your bank; those are all different ones that might have an outside scholarship to give a little bit.



**19:16** – Grants, these are only financial need based only. So, this could be like the Pell Grant, the Federal SEOG,

**19:24** – The Virginia Commonwealth; those are all different types of grants as well. So, it depends on your need if you qualify for the grants and the grants also depend on if you filed your FAFSA on time, which is why January is really important

**19:35** – because sometimes schools only get a certain amount of grants, they can distribute funding wise.

**19:40** – So if you submit it and you wait to submit your FAFSA until July or August, right before school starts

**19:45** – you might have missed the deadline to apply and you might have; they might have gotten rid of all the grants that they have, so you don't get any grant eligibility.

**19:53** – Next is work study, work study is need based aid. So work study is nice because you can get an on-campus job and you basically work to earn up to a certain amount.

**20:03** – So let's say that your work study is for \$2,500 for the year, that means throughout the year. You can get a bi-weekly paycheck and earn up to \$2,500 by the end of the year,

**20:14** – that then, is taxed separately into paychecks that can come to you for living expenses. I tell people to do view it for

**20:20** – helping pay for books or living expenses, because it doesn't pay directly through tuition and fees. So, it's good to think about it for paying for other expenses that you have

**20:29** – but it is considered need based. Next is loans, so loans are the part that needs to be repaid. So, scholarships, grants, work study those are all;

**20:37** – the scholarships and grants are what we call free money, the work study, you have to earn

**20:41** – earn the money for it. However, you don't have to repay any of those, but loans, you would have to repay.

**20:46** – Some loans are considered need based, so like the subsidized loan and we'll go into what the difference between subsidized and unsubsidized loan is

**20:54** – but the subsidized loan is considered need based the unsubsidized alone is not considered need based and the parent plus loan is not considered need base. So, let's say

**21:04** – that your need is \$30,000. That means that your scholarships, grants work study subsidized loans all cannot exceed \$30,000,

**21:12** – However, you can still get the unsub and the parent plus loan up to the cost of attendance, because it's okay of those to exceed the unmet need

**21:20** – If you get more scholarships, they might reduce your subsidized loan increase in offered unsubsidized loans to make up for it because they have to keep you right at that need.

**21:29** – So again, which it's really important to make sure that you file your FAFSA on time and you file it early, so that you make sure you don't miss out on any need-based grants or need based scholarships as well.

**21:42** – And we're good on questions Clarisa?

**21:44** – Okay.

**21:46** – Next, are scholarship. So, let's talk about those and how to apply for those.

**21:50** – So this PowerPoint, we are going to make it available on our website as well to but you can apply for Mason scholarships. So, as I talked about before,

**21:58** – there are department scholarships. I think there's even some that might still be open for spring semester. But most of these will start to open around January, February for next year.

**22:09** – So there are Mason type scholarships that you can apply for depending upon your department. The next are outside scholarships. So, Mason does have their own

**22:18** – I would say website to link to outside scholarships, but you also might want to check out fastweb.com too.

**22:25** – So any scholarships that you get directly from Mason from your department or admission are going to be probably \$1000 or above, I would say.

**22:33** – If they're based upon your admission status and you get them at the beginning, they might be like, you know, \$10,000 will just say for this for the year.

**22:40** – And then department scholarships might be like \$1000 outside scholarships are going to be probably under \$1000 that might be like \$100 here or \$200 here

**22:49** – but I always recommend people apply to them because every little bit counts. Now, when you're looking at outside scholarships

**22:56** – I have a 20 to 1 ratio that I tell students to do. So, I always recommend that they applied to 20 outside scholarships for every one that they will hear back from

**23:06** – and the reason it's such a high ratio is because when you look at outside scholarships, you're now looking at all the universities in the country. We're talking about millions of students applying.

**23:15** – So you definitely want to apply and cast a wide net and hopefully you'll hear back from one.

**23:20** – Now that does seem really daunting and it seems like a lot to apply for it but the good news is you could probably use the same essay

**23:26** – on multiple different outside scholarships. Sorry about that.

**23:29** – But with that being said, I recommend applying for outside scholarships using your break coming up. So once finals are over on the middle of December

**23:38** – you have a two week break until January, and then you have a couple more weeks break until during January until school starts, I think it's January 25

**23:46** – So definitely, I recommend using that month and a half break that you have to apply for as many outside scholarships that you possibly can for next year. Even if you only get \$100, \$200 it's definitely worth even getting a little bit if you can.

**24:00** – I also want to put up this so this year student government. They actually have their own

**24:06** – scholarship advertising. So, through their Twitter page which is @scholarshipsGMU.

**24:13** – Every week, they'll post a new scholarship that they found out about to help communicate to other students

**24:18** – what scholarship opportunities are out there. They also have a website to it looks like [gmuacademicworks.com/opportunities](http://gmuacademicworks.com/opportunities).

**24:25** – So these are student government. So, these are students just like you that are trying to help you find scholarships. So definitely recommend following them as well to for any scholarship opportunities.

**24:36** – Okay, so we're going to go into talking about loans. So really what the what is the difference between. Is there a question.

**24:42 – Clarisa:** We have a question.

**24:45** – Is there any scholarship opportunities available for part time students?

**24:49 – Shannon:** So, good question. And the answer is yes and no.

**24:52** – You are right, the typically full-time status is needed to get scholarships, but outside scholarships might have part time even your department scholar;

**25:00** – departments might have part time scholarships as well too. So, I recommend to just like I said cast a wide net, apply for as many as you possibly can.

**25:08** – Even if you know they say full time is required, maybe this semester you can be full time and the next semester you have to be part time.

**25:16** – So it's definitely worth it. So, I would say majority of them are full time. However, some of them could be part time as well to you definitely want to apply to as many as you can.

**25:25** – Okay so federal loans versus private loans. So really when you get started its kind of the question of, do I borrow federal direct loans or do I borrow private lives.

**25:35** – Sometimes people have to borrow both and I'll talk about the different levels for the federal loans and then sometimes people

**25:41** – Only can borrow private loans. If you're an international student doctor undocumented, those kinds of things might only be eligible for private loans as well and not eligible for federal loans.

**25:50** – But federal loans are payments that are due after you graduate, leave school or change your moment to halftime.

**25:58** – So they are deferred payments that you don't have to begin until six months after your grace period end, so everybody has a grace period that once you either fall below half time,

**26:08** – leave school, withdraw, or graduate, then you fall into a six-month grace period.

**26:12** – A lot of private loans, you can qualify for grace period. However, some of them do require in school payment while you're in school where federal loans, do not require in school payment, you can have that option to either pay in school or not.

**26:27** – Federal loans, you do not get a credit check if there and unsubsidized loans PLUS loans are a little bit different. And we'll go into that.

**26:35** – Their private loans are credit check for all of the private loans.

**26:38** – Direct loans will always have a fixed interest rate private loans could either be fixed or variable when you apply for private loans, they'll give you a choice of six different interest rates to pick from.

**26:48** – So it'll be a mixed bag of interest rates that are fixed and interest rates that are variable for you to pick from as well.

**26:55** – So a federal loan, you might qualify for Public Service Loan Forgiveness after school.

**27:00** – If you work in a non-profit setting in private loans, it doesn't matter where you work, you have to repay them. There's no forgiveness option there as well. So, these are just good things to think about when it comes to should I borrow federal loans or private loans. Are there any questions Clarisa?

**27:16 – Clarisa:** No, not right now.

**27:19 –** Okay.

**27:20 –** So I'm going to talk a little bit about federal loans first. So first is a subsidized loan. So the subsidized loan for this year has a fixed interest rate of 2.75%.

**27:30 –** We don't know the interest rates for next year, we won't know until after July 1, they always announced the interest rates. After the fiscal

**27:37 –** so around 2.75% if they increase it, it would probably be around 3% pretty much or, you know, give or take. It's not going to double type thing.

**27:47 –** The borrower is the students, so you are officially the borrower. They are available for undergrad students who have financial needs. So, as I mentioned before, they are need based.

**27:56 –** The university or college determines the amount the student may borrow and may not see the need. So, for example,

**28:02 –** let's say that you know you do your FAFSA and they say that you're eligible for \$3500 of the subsidized loans but then when you get your aid package from financial aid you only have \$1000 subsidize loan.

**28:14 –** So that's only because you're need own only made you eligible for \$1000 because you've got some more scholarships in that the FAFSA didn't know you were going to get.

**28:22 –** So, and then that means you got more unsubsidized loans because they will shift it from the subsidized and unsubsidized loans.

**28:28 –** So subsidized loan it is accruing interest while you're in school. However, you are not responsible for the interest that

**28:34 –** The federal government is paying on your interest while you're in school. Then once your grace period ends after six months. That's when it transitions and then it will start recruiting interest.

**28:46 –** The unsubsidized loans its interest rate is also 2.75% fixed. You are also the borrower. They are available for both undergrad and graduate students and there is no required to demonstrate financial need.

**28:59 –** So as I mentioned, so this one's really important too, because as I mentioned above, there's no subsidized loans for graduate students, that's only for undergrad students. for graduate students can only get the unsubsidized loans.

**29:10 –** The university or college determines the amount the student may borrow and it may not exceed the financial, the individual's financial need.

**29:17** – So it could exceed the need, it's not going to exceed the cost of attendance is really the important part.

**29:23** – Interest accrues while in school but interest payments are not required until the grace period ends.

**29:28** – If the student decides not to pay the interest of the loan during the time, they attend school during the grace period.

**29:33** – Deferment periods when the interest will be accumulating added to the principal.

**29:37** – That's just a really long way of saying it becomes compound. And so if you don't pay interest while you're in school, it will become compounded on top of the principal and that's what you'll begin repayments on.

**29:47** – So you don't have to feel like you have to stress and pay the interest while you're in school.

**29:50** – you could just say I'm going to graduate and just assume I borrowed \$2,000 more at the end of the four years with the interest that's accrued

**29:58** – and it definitely will be affordable to do the payments, we have a different session on student loan repayment as well too. But if you wanted to pay interest in school, you could do that and you would set that up with your servicer.

**30:08 – Clarisa:** You have one question, Shannon

**30:10 – Shannon:** Yeah

**30:11** – If someone's household financial situation has changed related to COVID such as loss of mid-year loss, of mid- year excuse me, does financial aid office be calculate mean?

**30:23 – Shannon:** Good question. I'm going to table it for a second because I do have a whole COVID slide that will address this as well, too.

**30:29** – So I'm going to go next into the direct graduate PLUS loan or parent plus loan. So graduate PLUS loan you can borrow only if you're a graduate student.

**30:39** – The parent plus loan the parent is the borrower and you can only get that if you're dependent undergrad student

**30:45** – If you're independent, you can't borrow a parent plus loan because you're independent of your parents this, you can't rely on them to pay for education.

**30:52** – Only dependent undergrad students can get a parent plus loan.

**30:56** – If you get a Parent PLUS loan they are the borrower, the parent is the student is not the borrower. However, the family can work out whatever they want two or three payments separately.

**31:05** – Graduate the graduate student is the borrower. Both of them have an interest rate of 5.3% fixed.

**31:11** – Interest does accrue while you're in school. It is credit based, it will look at your credit to determine if you're eligible, however, that is the interest rate. If you get approved.

**31:20** – And it is a separate application you apply for through student aid.gov. You can get as much of the cost

**31:26** – of the graduate lesson or parent plus loan up to the cost of attendance. So the PLUS loans are a great opportunity for people who need to fill in that gap after the unsubsidized and subsidized and all the other aid has been exhausted.

**31:41** – This is a nice little break down to have the difference between the subsidized and unsubsidized loans. Remember the subsidized not occurring interest. The unsubsidized loans is occurring interest.

**31:51** – Also Mason does require you to be at least half-time status to be eligible for federal loans. It's six credit hours status for undergrad students and I believe it's for credit our status for graduate students, but it's whatever the halftime status is the important part.

**32:07 – Clarisa:** We have a question.

**32:08 – Shannon:** Yeah.

**32:09 – Clarisa:** What is the benefit of choosing either direct subsidized or direct graduate or is it better? Excuse me. They said, what is the benefit of choosing either direct subsidized or direct unsubsidized or is it better to do one or the other.

**32:25** – So you would always want to choose. Let me backtrack. You always want to choose the subsidized and unsubsidized before the PLUS loans for sure because they have a lower interest rate.

**32:35** – However, the subsidized one is not occurring interest. So, you'd always want to borrow this subsidize loan first since it doesn't have any interest.

**32:43** – And then you can borrow the unsubsidized loans after that. So, the order of rank, I would say would be borrow the subsidized first since the interest rate is low and no interest is accruing

**32:52** – then borrow the unsubsidized loans, since the interest is low, however, interest is accruing and then borrow a parent plus loan or a graduate plus one, depending upon your status as that interest rate is higher. So that's kind of the order of operations is I would I would call it.

**33:10 – Clarisa:** We have another question. With the graduation direct loan how would you apply what do you need to go to financial aid?

**33:17** – So this website down here.

**33:19** – So can you see it Clarisa here at the bottom of the screen, says separate application through student aid.gov

**33:25** – So studentaid.gov is a familiar website to

**33:28** – you. It's where you sign the master promissory note to get the loans. It's where you fill out the entrance counseling and also where you can apply for any PLUS loans.

**33:36** – It's owned by the US Department of Education. So, what happens is you'll find out immediately if your credit approved.

**33:42** – That application goes to the school and then the financial aid office will process the PLUS loan application and then offer it to you for it to disperse to your account. But the first step is applying for it separately through student aid.

**33:58 – Clarisa:** I just wanted to let everyone know I linked, or I sent out the website URL link to everyone through the chat.

**33:07 – Shannon:** Thank you.

**34:08** – Okay, next is origination fees. So federal loans have an origination fee, and I want to explain this because I think sometimes students get confused on it.

**34:16** – So origination fees so, remember before I talked about your interest rate. So, let's look at the unserved unsubsidized loans. So, the interest rate for an undergrad student is 2.75%

**34:26** – I did actually forget to put the graduate interest rate on the unsubsidized loans on them, believe it's 4% this year 4.3, sorry about that will correct that as well here. But anyway, so the

**34:40** – loans then have what's called an origination fee. So, the first disbursement will depend upon when the loan was officially dispersed, it changes every October 1, the origination fee. I don't know why they chose October 1 but that's what they did.

**34:55** – So the originate the origination fee right now on the loans is 1.057%, the origination fee last year was 1.059% that's on the unsubsidized and subsidize loan.



**35:07** – The PLUS loans have a little bit higher origination fee which is currently 4.2 to 8%, last year is 4.236%

**35:16** – So to do the math basically what happens is, let's say that you borrow an unsubsidized loan of \$5,500 for the year you then have an origination fee of 1.059%

**35:27** – that means the net that you're receiving is \$5,441 so it's not a separate fee that you are paying

**35:34** – that you have to physically pay it more just comes off the top. So you accepted \$5,500 it splits between fall semester and spring semester but you don't understand why, I think what is that quick math: \$2,750 or you don't understand my in \$2,750 didn't pay directly to your account and only

**35:54** – \$2,000 and what is that; what's half of that 554 either way, half of \$5,441 paid towards fall semester, and that's because the origination fee came off the top. So, you just need to calculate that origination fee into seeing how much aid will physically pay on your account.

**36:14** – Okay. So, this slide is really important too, because it breaks down the totals that you can borrow per year of the loan. So, let's start with the dependent first year student.

**36:24** – So the maximum of loans that you can get as a dependent student. that's the first year is \$5,500.

**36:31** – Of the subsidized loan \$3,500 can be subsidized which means \$2,000 is unsubsidized which the total between the two is \$5,500

**36:41** – However, remember I said it depended on your need. So, if you're only eligible for \$1,000 of the subsidized loans to get you up to the financial need.

**36:49** – That means your unsubsidized loans could look like \$4,500. So, it just depends. They would just both equal \$5,500. Second year increases by \$1,000 so it's \$6,500 for the year.

**37:02** – \$4,500 can be of that can be subsidized loans, third, and fourth years are the same. It's \$7,500 for the full year \$5,500 is the max you can get of the subsidized loans.

**37:15** – Next are independent students, so independent students get a little more of the sub unsubsidized loans to subsidize amount stays the same.

**37:22** – It's just you're eligible for a little bit more unsubsidized loans because you're no longer dependent on your parents.

**37:28** – You are considered independent through the eyes of the FAFSA and \$9,500 for the first year and that \$3,500 is subsidized loans. So up to \$6,000 can be unsubsidized loans.

**37:41** – Second year it's \$10,500 and then third and fourth year it's \$12,500.

**37:47** – If you are dependent student, though, and you get denied the Parent PLUS loans to your parent goes and applies to a parent plus loan and gets denied.

**37:54** – You could be eligible for what's called an additional unsubsidized loan from being denied the parent plus loan, which means that you get independent level loans instead. So, you know, if you are first year student, you can apply for the parent plus loan it gets denied, you can get an additional

**38:11** – additional \$4,000 of the unsubsidized loans to help bring you to that independent level because you can't be dependent on the parent anymore because they were credit denied the parent plus loan.

**38:21** – Graduate students graduate students get \$20,500 unsubsidized loans for the year. They are not eligible for any subsidized loans.

**38:30** – Next is what we call lifetime aggregate limits. So, this is really important, especially with Mason having a high transfer population of students

**38:38** – because a lot of times they might transfer in with student loan debt and then see after a year, they've hit their lifetime limit and maybe they're not eligible for any more student loans to borrow from.

**38:47** – So a dependent student is eligible for \$31,000 in loans overall both subsidized and unsubsidized loans.

**38:55** – Of that the maximum is \$23,000 subsidized so the maximum of the unsubsidized could be \$8,000 but you might have only borrowed

**39:05** – Let's say \$20,000 subsidized because you were held to a lower standard each year and then \$11,000 unsubsidized loans. It just means combined. It can't exceed \$31,000.

**39:15** – Independent students it's \$57,000, I think it's \$57,500 that's a typo and then of that \$23,000 is subsidized loans and graduate students is \$138,500

**39:29** – of that \$65,500 is subsidized loans. So, you're questioning why is a lifetime and great limit their unsubsidized loans for grad students

**39:37** – That's in place because once upon a time graduate students could borrow subsidized loans and that was a long time ago.

**39:43** – It's also in place to because your undergrad loans do calculate into your overall that you can borrow for your lifetime of a graduate loan. So, let's say that you borrowed

**39:53** – \$50,000 at the undergrad level that means that you are only eligible for; what is that? Yep, \$88,000 Clarissa?

**40:05** – Give or take so you know of the hundred and \$38,000, \$50,000 was barred and undergrad. So that means the difference is what you have eligible to borrow for grad, but of that. Some of it was subsidized loans. So that's what kind of the differences

**40:18** – For undergraduate students, the question is always, well, what makes me an independent student because

**40:23** – I haven't lived at home this entire time, and I pay my own bills, I pay for my phone, I pay for my car. So why can I be considered an independent student.

**40:31** – The FAFSA is a very hard to become an independent student that's pretty black and white, and there's not a lot of leeway to wiggle room to make you an independent student

**40:40** – So you have to fit one of these criteria. So, you either have to be at least 24 years of age, you have to be married a parent yourself

**40:48** – a graduate student of veteran, a member of the armed forces or an orphan ward of the court are considered homeless.

**40:55** – Homeless and ward of the court orphan would have been before the age of 18, that you would have to have been at that status.

**41:02** – You were then considered a dependent student of all the other areas. So those are kind of the areas that qualify

**41:08** – If you are questioning if you should be considered independent or dependent, you would want to work the full financial aid office to see about if you qualify to be independent or dependent.

**41:18** – Have any questions Clarisa?

**41:20** – **Clarisa:** Yes, we have one question.

**41:23** – I'm actually two questions. The first one is as a graduate student. Is there a difference in eligibility for the direct unsubsidized loans and their direct plus?

**41:34** – **Shannon:** Good question! So, if you fill out the FAFSA as a graduate student and an undergrad student to

**41:39** – you will automatically be offered the unsubsidized subsidized loans from just filling out the FAFSA.

**41:44** – You only get offered the graduate PLUS loan or the parent plus loan if you go to studentaid.gov and you physically apply for it separately.

**41:52** – So you would be offered those lower interest unsubsidized are subsidized loans. First, again, I apologize for not having the graduate level loan limits up there, but it's 4.3% and for under for unsubsidized loans for graduate students. What was the question again, did I answer it?

**42:08 – Clarisa:** So, the first question is as graduate students, students, is there a difference in eligibility for their direct unsubsidized loans and their direct plus

**42:18 – Shannon:** So, the only other caveat to that too. I would say would be the subsidized and unsubsidized loans do not look at your credit, you get it. No matter what, but because you have to apply for the

**42:28** – PLUS loan separately, the eligibility is dependent upon your credit. It's not looking at your credit score. It's just looking at two big things. Have you ever declared bankruptcy? Are you currently in collections? So, if it's no to those, then you'd be eligible for the PLUS loan.

**42:42 – Clarisa:** We have another question. Why did. Why did they stop allowing graduate students from borrowing subsidized loans?

**42:51 – Shannon:** Great question and I hate that they did that, I would say, working in.

**42:55** – My role now is financial well-being but before I worked in financial aid for a really long time before and I forget the exact year that it switched, I want to say it was maybe like after 2008 around then

**43:07** – but the reason of it truly honestly was so that they can increase the Pell Grant for undergrad students

**43:12** – so it just offered the government, a lot of opportunity to increase the Pell grant money for undergrad students

**43:18** – Anytime you seeing government, you'll see that they'll take away something from one area to increase spending and another area to kind of balance the budget, a little bit.

**43:25** – So it's been a long time since they took away the subsidized loans for students, as you'll see this presentation doesn't even mentioned the Perkins loan. Perkins loan was another

**43:35** – loan program that they got rid of for both undergrad and graduate students as well too. I have argued it and will continue to argue it that it should be an option for graduate students also but unfortunately, that's what they did a couple years ago.

**43:48 – Clarisa:** We have two more questions. Why do you excuse me, why do you still have to fill; do you still have to fill out the FAFSA to apply for the plus?

**43:59 – Shannon:** Yes, good question. So even if a parent. Let's say that your parent only wants to borrow the parent plus loan.

**44:04** – They don't want you to borrow the unsubsidized are subsidized loans they are, you still have to fill out a FAFSA in order to get that plus one as well to

**44:12** – it's just an order of operations. So, the first step for anything is to do the fast. What I tell students, even if you don't know if you want to borrow loans.

**44:19** – Fill out the FAFSA anyways because you might get grants. You never know. It's a free application and no, no harm and you filling it out. So, I would just recommend

**44:27** – every student that is eligible for the FAFSA just fill it out anyways but yes, it is required for the FAFSA first before the PLUS loans.

**44:36 – Clarisa:** Are online MBA grad students eligible for non-loan scholarships, grants, financial aid?

**44:44 – Shannon:** Online students typically aren't eligible for scholarships; they could be it depends on your department

**44:50** – but online students kind of have a different set of program. And a lot of times at schools they have a different charge for tuition because they don't have in state or out of state because they are online.

**45:00** – But sometimes in some schools they do have in, say, out of state. So, I'm saying if you look at any online program in general, it doesn't hurt to ask the department if they have scholarships, you would probably benefit more from outside scholarships

**45:12** – but loans are eligible for all students, whether you're on campus or online.

**45:16** – As long as it's a program that qualifies, as it's a master's program some graduate certificate programs that are online don't always qualify for federal aid, but some of them do.

**45:25** – But as long as it's an online master's program, then it would qualify for federal aid and you'd be eligible for all these loans as well too but scholarships, I would check with the department, just to make sure.

**45:35 – Clarisa:** As of right now, we have one more question, and it's in regards to public service loan forgiveness for nonprofit work, they would like to know more about

**45:44 – Shannon:** So that's good to check out on our website. We had a whole one on student loan repayment in August on Money Talk Series.

**45:51** – Where we talked about public service loan forgiveness and then the qualification for that. But just to give you a brief one for time, I would say it's basically the concept of

**45:59** – working in 10 years after college. If you make on time qualifying repayments then you can get eligible for public service loan forgiveness. At the end of 10 years that would forgive. Anything that's left over.

**46:10** – But definitely check out our website. We have a link at the end of this to where we're hosting all of the Money Talk Series that we did. And there's a wealth of information public service loan forgiveness in that one that we did in August.

**46:22** – Okay, for time I'm going to kind of run through here. I might go a little bit faster because it looks like we're at 1:46. So

**46:29** – to talk about private loans. So, let's say that you've exhausted everything, maybe you were denied the PLUS loan, maybe you weren't even eligible for federal loans. Let's look at private loans as an option.

**46:38** – So these typically do have a higher interest rate than federal loans, but these depend on your credit. So, let's say that you have a great credit score maybe over 800 and

**46:47** – then possibly your interest rate could be even lower. So, it depends on really where that kind of sits.

**46:53** – They do typically for undergrad students and even graduate students because you're in school, you're not really necessarily working full time

**46:59** – although sometimes you could be working full time, but sometimes they do require a cosigner and it's just based upon the debt-to-income ratio.

**47:07** – Interest accrues while you're in school however, some of them do require in school repayment.

**47:12** – They do still have a six-month grace period to officially have to begin repayment.

**47:16** – Every school has what they call it preferred private loan lender list. So, there's a link to Mason's

**47:21** – and that's basically just ones that other students and have borrowed from private loans that they found to be useful, and to be beneficial. So, it's definitely worth checking out the school's preferred private loan lender list.

**47:32** – International doc and undocumented students are definitely eligible for private loans. Typically, they have to have a US co-signer which can be

**47:40** – a hurdle to have to jump over but one private loan lenders out there is called Prodigy Finance

**47:45** – they don't require U.S. co-signer. So that is a private loan lender that you do not need to us call center that you can get eligible for;

**47:52** – I will say it is very hard because of the fact that they don't need a cosigner they will ask you a lot of other questions.

**47:58** – In addition to it to their interest rates are a lot higher than you typically would see then that's just simply because you don't have a US co-signer. So, you're considered

**48:06** – more of a risky population to lend to but I like to put it out there as an option when sometimes I feel like students feel like there's no loan option out there.

**48:16** – Some other big name private loan lenders out there would be like Sallie Mae, Wells Fargo, Discover - any credit union of your choice of Apple Credit Union here at Mason is a good one.

**48:26** – MEFA, CHESLA, those are all different types of private loans to look at as well but it's definitely worth looking at the lender list. Okay.

**48:35** – So COVID impact and kind of to answer that question from earlier.

**48:38** – I kind of want to talk about next I'm going to transition into COVID so we talked about financial aid and all the different financial aid options that we had

**48:45** – now, how does COVID to factor into all this. If you are physically in school right now, barring loans, it doesn't really impact you at all. It's really those that were in repayment that it impacted.

**48:56** – So when COVID officially happened, everything happened fast, right. So, I'm going to go in the order of kind of the big things that happen so March 20th the Secretary of Education directed the Office of

**49:08** – Federal Student Aid to provide the following guidelines. So first they suspended all federal loan payments granted. Keep in mind this is federal private loan is its own thing.

**49:19** – So all student loan payments, stop collections on defaulted loans and set interest rates to zero percent for a 60-day period. So COVID happened,

**49:28** – March 20 happened really fast and they basically said no interest occurring on loans. Right now, we're going to stop everything for 60 days.

**49:35** – then March 27th happened about a week went by congress passed what we call the CARES Act or it stands for Corona Virus Aid Relief and Economic Security Act

**49:46** – and it provides it provides for the above relief measures, but the extended beyond 60 days. So, all of those three: so, student suspended loan payments, collection zero percent interest, except for it went until September 30 of 2020

**50:00** – Next August 1st or sorry, August 8th, Trump then directed the secretary, he did what's called the Presidential Executive Order and he said that we are going to continue that whole situation of no interest, no repayments

**50:15** – until December 31 of 2020 they have an extended it since then, we don't know what's going to happen come January.

**50:24** – You know with Biden transitioning in as well to in January. I don't know if he'll extend it or if he'll do any executive orders or the government will pass it.

**50:32** – All I can say is just kind of keep your ear out there and monitor, but at least right now this is what's in place until December 31 of 2020

**50:39** – So the only really big thing that impacted students that are currently enrolled is that do not accrue interest. So, remember before I said the subsidized loan is not occurring interest while you're in school and the unsubsidized loans is

**50:53** – because of COVID because of the executive order and all these situations in place, if you borrowed and unsubsidized long right now, you actually are not occurring any interest on it.

**51:02** – So if you have postponed borrowing the unsubsidized loans for fall because you're worried that interest was going to accrue, it actually wouldn't have in fall because of that no interest right now.

**51:12** – However, come January 1st it will start accruing interest, but that could be extended even longer. I don't know for sure.

**51:21** – I want to say to that I have a link to some really good information [studentaid.gov](https://studentaid.gov) has a wealth of information on COVID.

**51:28** – The Announcements page, there is a really good one to follow that kind of gives you the timeline of everything and all of these announcements.

**51:34** – They also created some really good. I would say blog sale articles that talk about like things to know about repayment with COVID.

**51:42** – They will walk you through like even though payments are required right now and there's zero percent interest, could you make payments on your loan. So, it all goes to the principal which could be a beneficial part and then also just general things to know.



**51:56** – I think the question earlier to said, you know what happens if I'm impacted financially by COVID, so remember before I said everything was based off two years prior taxes so 2018 - 2019 for the upcoming one.

**52:09** – So a lot of times people could say well you know my taxes were based off 2018 but my parents lost their job due to COVID so our income is a lot lower.

**52:18** – Every financial aid office and here it may seem to have what's called an income appeal. So, you're basically appealing for an income loss. So, you're saying

**52:26** – you know you're basing everything off 2018 but I lost my job. Here's our proof that we lost her job.

**52:32** – The financial aid office can and will help you with that so you want to email them at [Finaid@gmu.edu](mailto:Finaid@gmu.edu), Financial Aid abbreviated to [Finaid@gmu.edu](mailto:Finaid@gmu.edu).

**52:41** – Let them know that you've been impacted by COVID, they have a separate income from COVID loss form that you can fill out submit pay stubs submit taxes submit

**52:52** – information that you did officially lose your job, so they can adjust it.

**52:55** – We do want to do is possibly just your EFC. So, let's say you're expected family contribution is \$20,000

**53:01** – but you lost your income due to COVID, if you reduced it to 10,000, could you get eligible for the subsidize loan.

**53:07** – If you reduce it even further, could you possibly get any grants that you might be eligible for because of that.

**53:13** – They'll let you know if possibly wouldn't really change anything, but it's definitely worth contacting them if you are somebody who's been impacted financially by COVID to see if you could adjust your

**53:24** – EFC from the FAFSA to reflect that.

**53:30** – So that kind of concludes everything we have about seven minutes the end for any questions.

**53:35** – Just reminder, so we have the Financial Well-Being team. We are a new team that started just this year.

**53:41** – So we're working on our website. We're working on posting all these Money Talk Series on there as well. So, here's a link to our website and we do have an email address. So, if you want to contact us. You can email us at [FWB@gmu.edu](mailto:FWB@gmu.edu)

**53:52** – We're also happy to meet with you. We've been meeting with students this entire time virtually through zoom,

**53:57** – over the phone if you want to, as well. You know, I can kind of walk you through like the verification docs document. If you have questions on the fast. I'm happy to answer you there.

**54:06** – It's really kind of one of the questions you have, as well, too, if you kind of want to meet and talk about your situation more we can do that as well to just definitely email us and let us know.

**54:15** – But if you have any more questions, you can definitely type into the chat here and Clarisa can read the questions too.

**54:25 – Clarisa:** So right now, we don't have any questions.

**54:28** – They just said thank you very much. Very useful information.

**54:32 – Shannon:** Perfect. And like I said, we did record it.

**54:34** – So we will have both the PowerPoint and the presentation recorded

**54:38** – on our website after this, so that you can later, go to our website and kind of get access to it. However, if you don't want to wait and it's fresh in your mind. You can also send us an email. We're happy to give you it over email as well too.

**54:49** – If you want any of the previous ones, we have those available to you if you want us to send it to you.

**54:56 – Clarisa:** I just sent out our email [FWB@gmu.edu](mailto:FWB@gmu.edu) just in case you guys want to send us an email asking for the presentations.

**55:11** –Perfect. Alright.

**55:12 – Shannon:** Well, that kind of concludes it then I'll let you guys go and kind of a enjoy this cold wintery feeling type day and thank you very much for attending.