



Money Talks Series: Understanding Financial Aid Options & The Impact of COVID-19

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IMPORTANT TERMS TO KNOW

Financial Well-Being: Creating a financial balance and sense of security in your own life. It is the feeling of having the financial freedom to plan for today, tomorrow, and the future.



Cost of Attendance: The overall cost of education including both school-related expenses as well as living expenses.

Expected Family Contribution (EFC): The number created from income and assets reported on the FAFSA to determine aid eligibility .

Direct Costs: Expenses that are directly related to your education (tuition and fees).



In-Direct Costs: Expenses that are indirectly related to your education but are expenses you have in general from being a student (books, room and board, personal and transportation).

Out-Of-Pocket: Expenses that you might have to cover whether by check, cash or card.



IMPORTANT TERMS TO KNOW

Loan: It is money that needs to be repaid by the borrower; usually has interest.



Borrower: A person who is borrowing money (typically a loan to repay).

Co-Signer: An individual who signs a loan or a credit account of another person as support for the credit of the primary signer. The co-signer becomes responsible for the debt obligation if the primary signer does not pay.

Lender: An organization or person who lends money to a borrower.



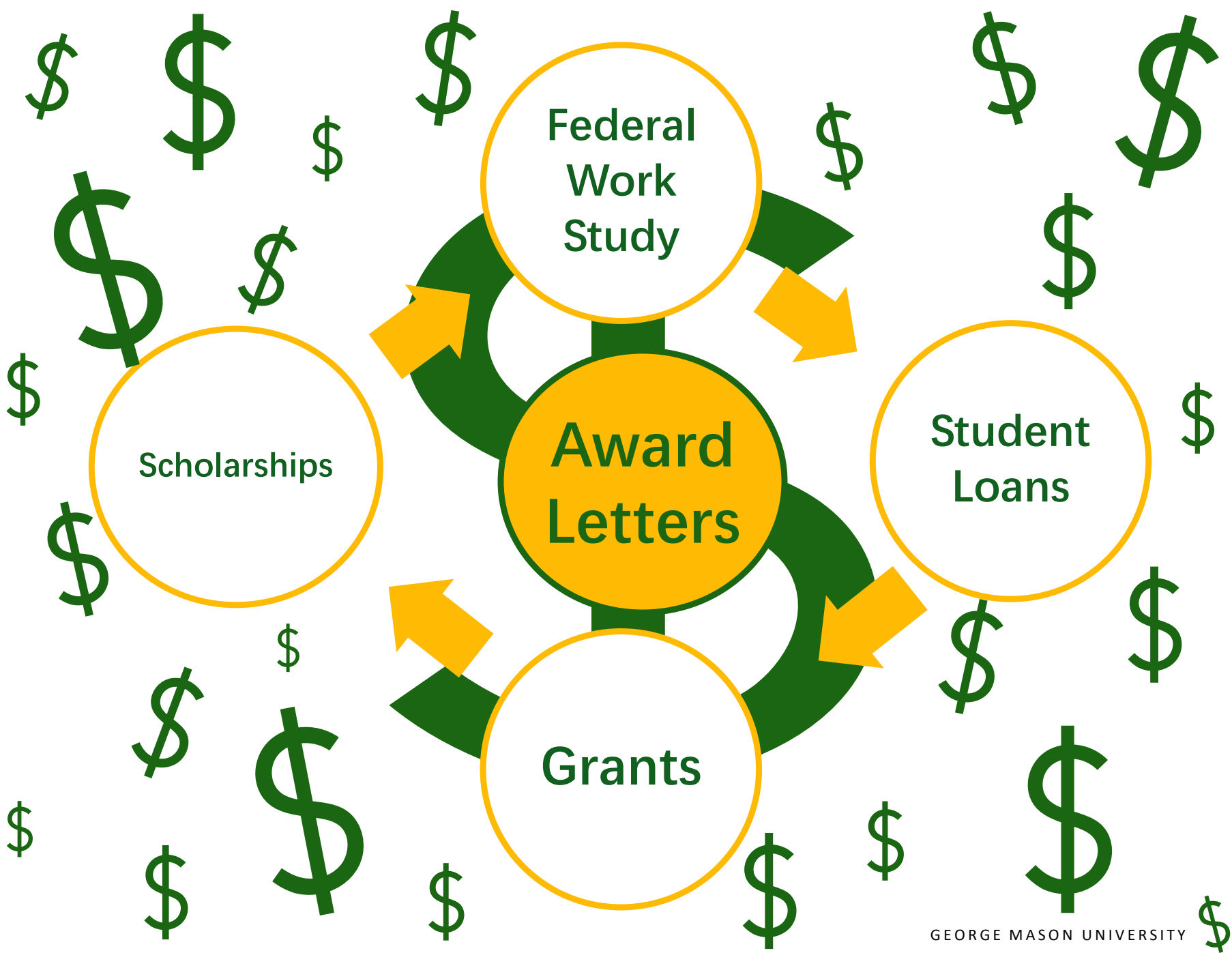
Servicer: A middle organization that collects loan payments from a borrower on behalf of the lender.

Interest Rate: A reoccurring fee – usually monthly - charged by the lender that is added to the principal of the loan or credit balance.

Fixed-Rate Interest: The interest rate that does not change during a fixed period.

Variable-Rate Interest: The interest that might increase or decrease over time.





Federal
Work
Study

Scholarships

Award
Letters

Student
Loans

Grants

WHICH FAFSA?

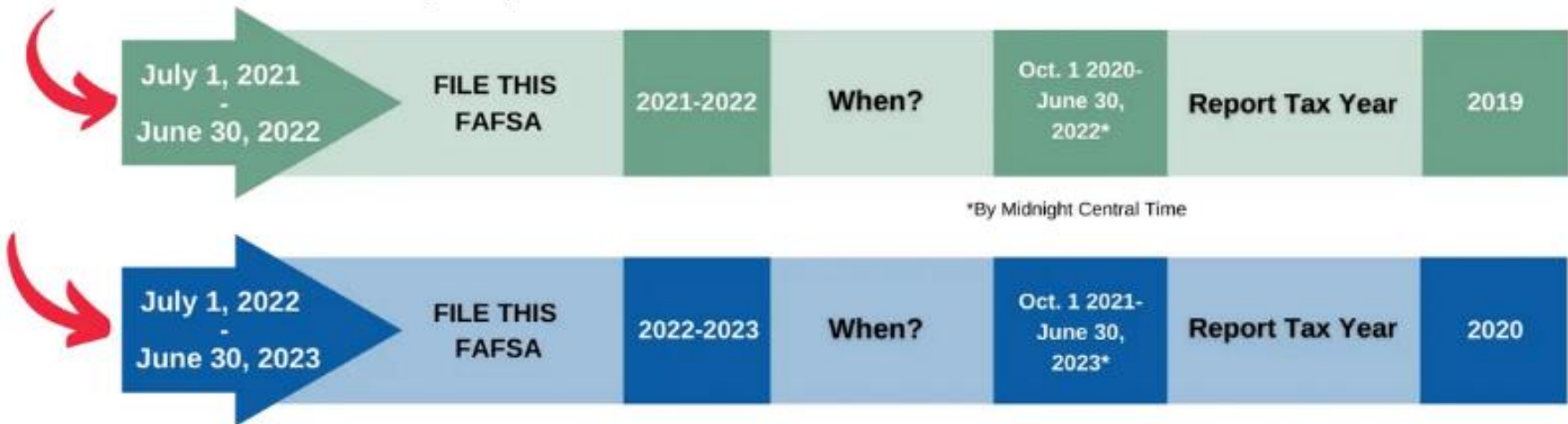


Which FAFSA® Do You Need to File?

Follow these steps to make sure you file the right one, with the right tax information.

WHEN ARE YOU STARTING YOUR NEXT ACADEMIC YEAR?

In other words, which term/academic year do you need financial aid for?



*By Midnight Central Time

If you are unsure about which FAFSA you need to complete, please contact your college

VERIFICATION

EASY Transfer info with the click of a button.

FAST Instantly retrieve your information.

ACCURATE Correctly fill in your information.

HOW



INCOME TAX INFO



1 Log in to your current FAFSA form or start a new application at fafsa.gov.

3 Click the "Link to IRS" button and log in with your FSA ID to be transferred to the IRS to retrieve your info.

5 Check the "Transfer My Tax Information into the FAFSA form" box, and click the "Transfer Now" button.*

2 In the finances section of the online form, you will see a "Link to IRS" button if you are eligible to use the IRS DRT.

4 Once at the IRS site, enter your information exactly as it appears on your federal income tax return and click the

6 You will know that your federal tax return information has been successfully transferred because the words "Transferred from the IRS" will display in place of the IRS

*For your protection, your tax information will not be displayed on either the IRS site or fafsa.gov.

- The Office of Student Financial Aid will communicate if verification docs are needed.
- Forms can be found here: <https://www2.gmu.edu/admissions-aid/financial-aid/forms>
- Submit verification docs online through Mason Student Services Center (MSSC).

Types of Financial Aid

FAFSA (Free Application for Federal Student Aid) <https://studentaid.gov>.
Currently the 2021-2022 FAFSA is open, and the 2022-2023 FAFSA opened October 1, 2021.

Important to file the FAFSA early!



Scholarships:	Grants:	Work – Study:	Loans:
Do not need to be repaid	Do not need to be repaid	Does not need to be repaid	Need to be repaid
<p>Based on Academic, Financial Need, and Talent:</p> <ul style="list-style-type: none"> ○ Admission Scholarships ○ Departmental Scholarships ○ Outside Scholarships (www.fastweb.com) 	<p>Based on Financial Need ONLY</p>	<p>Based on Financial Need.</p> <ul style="list-style-type: none"> ○ An on-campus job that provides a paycheck, subject to tax. ○ Flexible work hours! 	<p>Some loans are based on financial need while others are based on whether the student qualifies for the loan(s).</p>

SCHOLARSHIPS

- Apply for Mason scholarships:
 - <https://www2.gmu.edu/admissions-aid/financial-aid/types-aid/scholarships>
- Apply for Outside scholarships:
 - <https://gmu.academicworks.com/opportunities/external>
- Additional Outside scholarships:
 - www.fastweb.com



NEW
SCHOLARSHIP
POSTED
EVERY WEEK ON
TWITTER!

**SCHOLARSHIP
OF THE
WEEK**

GMU Scholarships

Link: To GMU scholarships
<https://gmu.academicworks.com/opportunities>

FOLLOW US ON TWITTER!
@ScholarshipsGMU

Types of Loans

FEDERAL vs. PRIVATE Student Loans

FEDERAL

vs.

PRIVATE

Payments aren't due until after you graduate, leave school, or change your enrollment status to less than half-time.



Many private student loans require payments while you are still in school, but some do allow you to defer (put off) payments while in school.

You don't need to get a credit check to qualify for federal student loans (except for PLUS loans).



Private student loans often require an established credit record or a cosigner.

The interest rate is fixed and is often lower than private loans.



Variable or fixed interest rates, which may be higher or lower than the rates on federal loans depending on your circumstances.

You may be eligible to have some portion of your loans forgiven if you work in public service.



Although many private lenders do not offer loan forgiveness programs, some student loans from state agencies can be forgiven in certain circumstances.

WARNING! If you have both federal and private student loans, be careful about refinancing with a private lender. You will lose your rights under the federal student loan program, including deferment, forbearance, forgiveness, and affordable repayment options.

Federal Loans

Type of Federal Loan:	Direct Subsidized	Direct Unsubsidized
Borrower	Undergraduate students	Undergraduate; Graduate, Professional students
Interest Rate	3.73% fixed	3.73%; 5.28% fixed
Eligibility	Available for students who have financial need. At least half-time status required (6-8 credits for UG).	No requirement to demonstrate financial need. At least half-time status required (6-8 credits for UG and 4.5-5.5 credits for GR and Law).
General Info	University determines the amount student may borrow within the set annual limit, and amount may not exceed an individual's financial need.	University determines the amount student may borrow within the set annual limit, and amount may not exceed an individual's Cost of Attendance.
Interest and Repayment	Federal Government pays the interest for a student who is: <ul style="list-style-type: none"> - At least half-time status. - Grace period: Repayment begins 6 months after student graduates, withdraws, or falls below less than half-time status. 	Interest accrues while in school, but interest payments are not required until after the grace period (6 months after student graduates, withdraws, or falls below half-time status). If student decides not to pay the interest of loan while in school or during grace period or deferent periods, then the interest will be accumulated and added to the principal of the loan.

Federal Loans

Type of Loan:	Direct Graduate or Parent Plus
Borrower	Parent; or Graduate, Professional students. FAFSA required first, but separate application through www.studentaid.gov .
Interest Rate	6.28% fixed
Eligibility	Credit based. At least half-time status required (6-8 credits for UG and 4.5-5.5 credits for GR and Law).
General Info	University determines the amount student may borrow, and amount may not exceed an individual's Cost of Attendance.
Interest and Repayment	Interest accrues while in school, but interest payments are not required until after the grace period. If parent or student decides not to pay the interest of loan while student is in school or during grace period or deferent periods, then the interest will be accumulated and added to the principal of the loan.

Federal Financial Aid Loans - Origination Fees

Unsubsidized/Subsidized Loans First Disbursement Date:	Loan Fee:
On or after 10/01/2020 & before 10/01/2022	1.057%
On or after 10/01/2019 & before 10/01/2020	1.059%

Graduate/Parent Plus Loans First Disbursement Date:	Loan Fee:
On or after 10/01/2020 & before 10/01/2022	4.228%
On or after 10/01/2019 & before 10/01/2020	4.236%

Example: \$10,250 Direct Unsubsidized Loan (gross borrowed) –
1.057 % Origination fee = \$10,141 (net received)

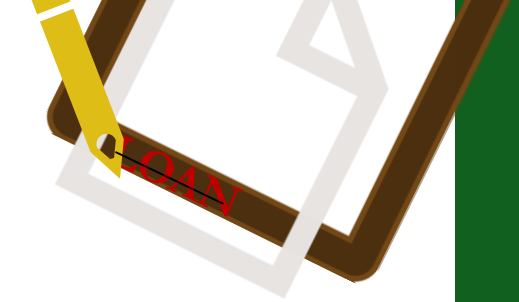
Federal Financial Aid Loans Yearly Amount

	Year in School:	Maximum Annual Total:	Maximum Subsidized:
Dependent Students:	1 st Year	\$5,500	\$3,500
	2 nd Year	\$6,500	\$4,500
	3 rd & 4 th Years	\$7,500	\$5,500
Independent Students:	1 st Year	\$9,500	\$3,500
	2 nd Year	\$10,500	\$4,500
	3 rd & 4 th Year	\$12,500	\$5,500
Graduate Students:	Grad	\$20,500	N/A
Lifetime Limits	Dependent \$31,000 all \$23,000 subsidized	Independent \$57,500 all \$23,000 subsidized	Graduate \$138,500 all \$65,500 subsidized

Independent Student	Dependent Student
<ul style="list-style-type: none"> ○ At least 24 years old ○ Married ○ A Parent ○ A graduate Student ○ A Veteran ○ A Member of the Armed Forces ○ An Orphan, Ward of the Court, or Homeless 	<p>You are considered a Dependent Student if none of the previously listed descriptions (on the left) apply.</p>



Private Loans



- Typically have a higher interest rate but student can receive up to Cost of Attendance.
- Usually needs a **co-signer** and is **based on credit**.
- Interest accrues while in school, and some plans require an in-school interest only repayment.
- Does still have a 6-month Grace Period but you choose your repayment plan when you choose your interest rate option.

- GMU preferred private loan lender list: <https://www.elmselect.com/v4/school/421/program-select>
- **International, DACA, and undocumented students** should look at Prodigy Finance as US co-signer is not required. However, much higher interest rates apply because of lack of co-signer <https://prodigyfinance.com/>.

Lenders may include:

- Sallie Mae
- Discover
- Apple Credit Union
- CHESLA
- Wells Fargo
- Credit Union Student Choice
- MEFA

COVID-19 IMPACT

On Mar. 20, 2020, the Secretary of Education directed the office of Federal Student Aid to provide the following relief on ED-held federal student loans:

1. suspend loan payments
2. stop collections on defaulted loans
3. set interest rates to 0% for a period of 60 days



On Mar. 27, 2020, Congress passed, and the President signed into law, the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*, which provides for the above relief measures through Sept. 30, 2020.



On Aug. 8, 2020, President Trump directed the Secretary to continue to suspend loan payments, stop collections, and waive interest on ED-held student loans until Dec. 31, 2020.



On Dec. 4, 2020, the COVID-19 emergency relief measures were extended through Jan. 31, 2021.



On Jan. 20, 2021, the COVID-19 emergency relief measures were extended through Sept. 30, 2021.



On Aug. 6, 2021, the COVID-19 emergency relief measures were **extended until Jan. 31, 2022.**

Resources:

<https://studentaid.gov/announcements-events/coronavirus>

<https://studentaid.gov/articles/5-repayment-flexibilities/>

<https://studentaid.gov/articles/6-things-to-know-during-coronavirus/>

If you are financially impacted by COVID-19, consider filing an *income appeal*.

Reach out to the **Office of Student Financial Aid** through their student contact form here:

<https://www2.gmu.edu/financial-aid/contact-financial-aid>

Questions?

For more information on Financial Well-Being, visit our website:

<https://ssac.gmu.edu/financial-wellbeing/>

Contact the Financial Well-Being Team

fwb@gmu.edu

(703) 993-3686



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