Financial Aid Overview
Tonight’s Conversation Topics

• What is Financial Aid?
• The application process
• How decisions are made
What is Financial Aid?

Three main types:

• Grants and scholarships
• Federal work study
• Student loans
Sources of Financial Aid

**FEDERAL**
- Grants
- Work-study
- Loans
- Tax incentives

www.studentaid.gov

**MASSACHUSETTS**
- Grants
- Scholarships
- Loans
- Tuition waivers

www.mass.edu

**COLLEGE/UNIVERSITY**
- Grants
- Scholarships
- Loans
- Fee waivers

www.merrimack.edu/aid

**OTHER OUTSIDE AGENCIES**
- Scholarships
- Loans
- Fee waivers

www.fastweb.com
Merit-Based Aid

• Awarded in recognition of achievements
  ➢ Academic, artistic, athletic, etc

• May or may not be renewable
  ➢ Renewability could have requirements

• Not offered at every college
  ➢ Check school websites for details

• Separate applications sometimes required
  ➢ Check school websites for deadlines as early as November
Need-Based Aid

• Based on family’s financial eligibility

• “Eligibility” is determined by a standard formula

• Includes grants, loans, and work-study

• Must be making satisfactory academic progress

• Most financial aid is need-based
Federal Direct Student Loans

- Student is the sole borrower
- No credit check
- Subsidized or unsubsidized
- 2.75% fixed interest rate for 2020-2021 academic year
- No payments while enrolled
- Multiple repayment options (many tied to income)
- Deferment, forbearance, and forgiveness opportunities

**ANNUAL LOAN LIMITS**

<table>
<thead>
<tr>
<th></th>
<th>Freshman Year</th>
<th>Sophomore Year</th>
<th>Junior Year</th>
<th>Senior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,500</td>
<td>$6,500</td>
<td>$7,500</td>
<td>$7,500</td>
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</tbody>
</table>

**EXAMPLE**

<table>
<thead>
<tr>
<th>Total Borrowed</th>
<th>$27,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Payment</td>
<td>$300/month</td>
</tr>
<tr>
<td>Over</td>
<td>10 years</td>
</tr>
<tr>
<td>Total Estimated Debt</td>
<td>$32-$34,000</td>
</tr>
</tbody>
</table>
Financial Aid Timeline

• Typically due in October or November if applying Early

• Standard deadlines typically in February or March

• Check each college’s deadlines and requirements

• Merrimack encourages admission and aid applications completed by the same deadline for review together

• Don’t be late!
Free Application for Federal Student Aid (FAFSA)  
www.fafsa.gov

- Available October 1
- Required by all colleges
- Must be completed every year

- Start by creating an FSA ID
  - www.fsaid.ed.gov
  - Both student and parent need one!

- IRS Data Retrieval Tool
  - Pulls in federal tax information for you

Download myStudentAid mobile app for easy completion!
What is reported on the FAFSA?
General Information

• Student Citizenship Status
  ➢ Non-Citizen parents:
    - use zeros for SSN
    - print signature page to sign

• Parents
  ➢ Married, including same-sex parents
  ➢ All parents who live together, married or not
  ➢ Divorced/Separated: custodial parent & current spouse
  ➢ Legal guardians are NOT a parent

• Household
  ➢ # of people in household
  ➢ # of children enrolled in college

• Colleges you’re applying to (so they can receive your FAFSA)
What is reported on the FAFSA?

Financial Information

- **Parent and Student Income**
  - Both taxed and untaxed
  - Use 2019 income for the 2021-2022 FAFSA

- **Parent and student assets**
  - Include: savings, checking, investments, and other property
  - Include: all 529 accounts as parent assets
  - Do Not Include: primary home, value of retirement, life insurance, value of small family business

- **Debt is not reported** (unless it is debt on your assets mentioned above)
Financial Aid Formula

\[
\text{Cost of Attendance (COA)} - \text{Expected Family Contribution (EFC)} = \text{Financial Aid Eligibility}
\]

- Colleges fill in eligibility with aid from all sources
Cost of Attendance (COA)

COA = Total expenses for one year of college

TUITION AND FEES + ROOM AND BOARD + PERSONAL EXPENSES + TRANSPORTATION

Billed or Direct Expenses

Non-Billed or Indirect Expenses
Expected Family Contribution (EFC)

• The amount a family has the ability to absorb for one year of college costs
• Same federal formula used for every family
• Some colleges also use an institutional EFC formula
• Family has the primary responsibility for paying
• Not necessarily the amount a family will pay
• Lowered if more than 1 child is enrolled in college
# Merrimack Scholarships

For a full list of scholarships and grants, visit [www.Merrimack.edu/aid](http://www.Merrimack.edu/aid)

<table>
<thead>
<tr>
<th>FUND</th>
<th>AMOUNT PER YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRESIDENT’S</strong></td>
<td>Up to $23,000</td>
</tr>
<tr>
<td><strong>TRUSTEES’</strong></td>
<td>Between $6,000 and $21,000</td>
</tr>
<tr>
<td><strong>DEAN’S</strong></td>
<td>Between $6,000 and $21,000</td>
</tr>
<tr>
<td><strong>MERRIMACK</strong></td>
<td>Between $6,000 and $21,000</td>
</tr>
<tr>
<td><strong>AUGUSTINIAN</strong></td>
<td>Full Tuition</td>
</tr>
<tr>
<td><strong>ATHLETIC</strong></td>
<td>Up to full tuition, room &amp; board, books &amp; fees</td>
</tr>
<tr>
<td>Source</td>
<td>Amount</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Balance Due</td>
<td>$29,540</td>
</tr>
<tr>
<td>Past Income</td>
<td></td>
</tr>
<tr>
<td>Student Savings</td>
<td>$2,500</td>
</tr>
<tr>
<td>Parent Savings</td>
<td>$5,000</td>
</tr>
<tr>
<td>Current Income</td>
<td></td>
</tr>
<tr>
<td>TMS Payment Plan</td>
<td>$5,000</td>
</tr>
<tr>
<td>Outside Scholarships</td>
<td></td>
</tr>
<tr>
<td>High School, community, etc</td>
<td>$2,000</td>
</tr>
<tr>
<td>Future Income</td>
<td></td>
</tr>
<tr>
<td>Student Loan</td>
<td>$5,000</td>
</tr>
<tr>
<td>Parent Loan</td>
<td>$10,040</td>
</tr>
<tr>
<td>Remaining Balance</td>
<td>$0</td>
</tr>
</tbody>
</table>
## Financial Aid Office

<table>
<thead>
<tr>
<th>LEARN ABOUT YOUR FINANCIAL AID</th>
<th>ASK ABOUT SPECIAL CONSIDERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Renewability criteria</td>
<td>• Changes in family circumstances</td>
</tr>
<tr>
<td>• Treatment of private scholarships</td>
<td>• How to appeal your award</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FIND OUT ADDITIONAL DETAILS</th>
<th>WAYS TO CONNECT WITH US</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Special programming and events</td>
<td>• Phone</td>
</tr>
<tr>
<td></td>
<td>• Email</td>
</tr>
<tr>
<td></td>
<td>• Zoom</td>
</tr>
<tr>
<td></td>
<td>• Website</td>
</tr>
</tbody>
</table>
Financial Aid Staff

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