

# Financial Aid for College

Spring 2021

# Important Resources

San Mateo Credit Union offers our local schools the ability to learn about various Financial Education topics online, at their own pace, for free. One of the courses available is Financing Higher Education and covers some of what we will review today. If you are in need of a refresher, this is a great tool!

[smcu.org/learn](https://smcu.org/learn)

## Financing Higher Education

This module will cover:

- Paying for higher education
- Federal financial aid and student loans
- Loan repayment and tax incentives



# Foreseeing the Future



- Tuition and fees can increase unexpectedly
- Tuition support programs can change or discontinue
- The amount and availability of your grants can change
- You must apply *and qualify* for financial aid *every year* until you graduate (keep those grades up, maintain your course load!)
- For students entering college in Fall 2021, you will be asked to provide tax information from 2019

# Food for Thought



“As of 2020, total student loan debt was at \$1.68 trillion, the average American borrower owes \$37,584 in student loan debt, and the pandemic-driven economic downturn is expected to make paying back that debt even more difficult.” – Yahoo News

Source: [Yahoo News, January 27, 2020](#)

# Total Cost of Attendance

When colleges estimate what it costs to attend each year, they consider all the expenses associated with being a student:

- Tuition and fees
- Food
- Housing
- Transportation
- Books and supplies

We call this the Total Cost of Attendance though it is not what most students pay. **Over two-thirds of UC undergraduates receive some gift aid, with an average award of over \$16,000.**

For CA residents, that covers nearly half the cost of attending UC for a full year.

## Where does Financial Aid come from?

- Federal Government – Loans, grants, scholarships
- State Government – Dream Loan, Cal Grant
- Your college – grants, scholarships (“institutional aid”, CSS Profile)
- Private Companies – loans, scholarships

When you apply for FAFSA you are applying for access to

1. Federal loans
2. Grants
3. Scholarships
4. Institutional aid.



When you apply for the CA Dream Act, you are applying for access to

1. In state tuition
2. State Grants and Dream loan

# Financial Aid and Cal Grant

- 3 different Cal Grant Programs are available to **need based and merit based** students
  1. Cal Grant A
  2. Cal Grant B
  3. Cal Grant C
- FAFSA offers Pell Grant, Student Loans, access to Cal Grant
- Dream App offers access to Cal Grant, instate tuition, state funded student loans\*
- 41,000 competitive Cal Grants were available for the 2019-2020 school year
- Middle Class Scholarship (MCS): Income & asset ceilings of \$184,000 for 2019-2020. For more information on the MCS [click here](#)

\* if you are an eligible AB540 student who qualifies for a Dream Loan, you must reach out to the financial aid office of the college you wish to attend and apply “in person.”

**CALIFORNIA STUDENT AID COMMISSION**  
**FOR NEW CAL GRANT APPLICANTS**  
**and**  
**RENEWING CAL GRANT RECIPIENTS**

<b>2021-22 CAL GRANT PROGRAM INCOME CEILINGS</b>		
	Cal Grant A and C	Cal Grant B
<b>Dependent students and Independent students with dependents other than a spouse</b>		
<u>Family size:</u>		
Six or more	\$127,700	\$70,100
Five	\$118,400	\$65,000
Four	\$110,400	\$58,100
Three	\$101,700	\$52,200
Two	\$99,200	\$46,300
<b>Independent students</b>		
Single, no dependents	\$40,500	\$40,500
Married, no other dependents	\$46,300	\$46,300

<b>2021-22 CAL GRANT PROGRAM ASSET CEILINGS</b>	
Dependent students <sup>1</sup>	\$85,500
Independent students	\$40,700

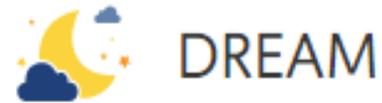
<sup>1</sup> This ceiling also applies to independent students with dependents other than a spouse.

NOTE: Per California Education Code section 69432.7(k), the Cal Grant program income and asset ceilings for new applicants and renewing recipients are to be adjusted annually using the change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution:

SEC. 8. (e) (1) "Change in the cost of living" for the State, a school district, or a community college district means the percentage change in California per capita personal income from the preceding year.

# Know Before You Go

Availability of financial aid varies every year so it's important to apply early. It's also important to note that different schools may have different financial aid deadlines. Three common sources of financial aid are explained below.



	FAFSA	DREAM	Cal Grant
<b>Who</b>	US Citizens, Perm. Residents	AB540 & certain visas	All eligible CA students
<b>What</b>	Student loans, Pell Grant	Need & competitive grants, state loans	Need based, competitive grants
<b>Where</b>	FAFSA.ed.gov	dream.casc.ca.gov	Webgrants4students.org*
<b>When</b>	October 1 <sup>st</sup> to March 2 <sup>nd</sup>	Early October to March 2 <sup>nd</sup>	October 1 <sup>st</sup> to March 2 <sup>nd</sup>
<b>Why</b>	Need & merit based aid, Cal Grants	Need & merit based aid, Cal grants	Need & merit based aid, Dream Loan MCS.
<b>Note</b>	Your parents must file taxes but they don't need to be US Citizens. If your parent is undocumented you will enter 000-00-0000 in the box asking for their SSN	Even if your parents are undocumented, they are expected to file taxes in order for you to receive aid though it is not necessarily required.  The Dream App qualifies students to pay instate tuition and provides access to Cal Grant.	There is no "Cal Grant Application." Your eligibility is determined by the information you put on your FAFSA or Dream Application

\*Webgrants4students.org is used to check your Cal Grant status **after** you have submitted your FAFSA or Dream Application. It is not a website that you will need to visit until **AFTER** your financial aid applications are submitted

## Dependency, Assets, and the EFC

For the purposes of financial aid, students will be asked to provide their parents' financial information until they are 24 years of age *unless* they meet requirements that qualify them as **Independent**.

**Examples of qualifying events that would deem a student “independent” include, but are not limited to:**

- Marriage
- Caring for a biological child
- Foster Youth (can depend on your age)
- Unaccompanied homeless youth (please seek assistance from your school's homeless liaison)

Again, whether you are filling out the FAFSA or Dream Application, you will need to provide information about your income and assets as part of the application process. We highly encourage you to seek assistance if you have an unusual circumstance to ensure that your EFC is accurate.

# Loan Options

Student Loans help cover the cost of higher education at a four-year college or university, community college, or trade, career, or technical school.

The U.S. Department of Education offers graduating high school seniors the following loans:

- **Direct Subsidized:** Interest doesn't accrue until the grace period ends
- **Direct Unsubsidized:** Interest accrues as soon as the first disbursement is made
- **Direct Plus Loan:** Allows parents to borrow on behalf of their students

Private Institutions also offer tuition loans and you can find them at:

- Banks
- Credit Unions
- Credit Card Companies **\*be very careful**
- Non Government Entities

## Take Advantage of Scholarships

While student loans will help close the gap between your EFC and the Total Cost of Attendance, do your best to minimize the amount you have to borrow. One great way to do that is to apply for scholarships.

### **Here are a few local scholarships to get you started:**

1. The San Mateo Credit Union Educational Scholarship Program is NOW OPEN. **All** students are encouraged to apply and you do not need to bank with SMCU to receive one of our two \$5,000 awards. For more information, go to: [smcu.org/scholarships](http://smcu.org/scholarships)
2. The Bay Area Gardeners Association is NOW OPEN. This scholarship is also available for college students, so book mark it for later too! For more information, go to: <http://bayareagardenersscholarshipfoundation.com> and click on Scholarships

# San Mateo Credit Union's 2021 Educational Scholarship

~SAN MATEO~  
CREDIT UNION

## Investing in Your Future

San Mateo Credit Union believes that a higher education is a catalyst for success. That's why, year after year, the SMCU Educational Scholarship helps students with the growing expenses that come along with a college education. SMCU is proud to offer two \$5,000 scholarships to graduating high school seniors to help cover costs such as tuition, housing, books, and meals.

### Eligibility Requirements

Applicants must:

- Be a class of 2021 high school senior or a 2020 graduate who took a gap year and are enrolling in a college or technical school for the first time.
- Have a GPA of 3.0 or greater and submit an unofficial transcript.
- **Provide a typed essay on the following prompt:**  
**Credit Unions believe in the philosophy of People Helping People. Tell us about a time when you helped someone in need and explain what you learned about the importance of having compassion and empathy.**
- Plan to enroll in an accredited college or technical school for Fall 2021. If selected as a winner, enrollment will be verified prior to receiving scholarship funds.

Additionally, applicants are encouraged to submit a resume highlighting work experience, extra curricular activities, and/or talents if applicable. There is no restriction regarding applicants' county of residence.

**Submission deadline:** Friday, March 19, 2021 by 11:59pm

(650) 363-1725 | [smcu.org/scholarships](https://smcu.org/scholarships)

**APPLICATIONS OPEN**  
Monday, January 4, 2021  
at [smcu.org/scholarships](https://smcu.org/scholarships)

# Questions?

Contact the Community Relations Team!

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