

# You've Received the College Financial-Aid Offer. Now What?

Advice on comparing aid offers, appealing decisions and what to expect when applying for loans

The financial-aid process can feel like a black hole for families of first-time college applicants. Once the necessary forms are submitted, you are sucked into the unknown, waiting as each school considers aid eligibility.

But many of these families will be busy soon enough.

Families with aid offers should take the next few months to weed through and compare the details before accepting any of the packages on the table. Additional tasks might be necessary in some cases to receive promised aid, or to address recent reversals in financial circumstances. Some families that are disappointed might consider applying for a review of their financials, especially in cases where circumstances have changed.

Here's a guide to navigating those next steps.

## **Compare offers**

Families that receive aid offers from multiple schools should start by looking at how much free money is being offered through scholarships and grants, as opposed to loans that have to be repaid. It's essential to know what it will cost to attend each school after that free money is applied, taking into account direct costs, such as tuition, student-activity fees and on-campus room and board, as well as indirect costs, such as books, supplies, transportation and off-campus housing.

"It is the net cost, what a family will pay out of pocket, that can help to drive the decision," says Lori Vedder, director of the office of financial aid at the University of Michigan-Flint.

Families can accept some, all or none of the financial aid offered. For example, you could accept federal work-study, but turn down a federal student loan or part of the loan. What you accept is at your discretion; just make sure you fulfill all the requirements of whatever aid you take.

## **Appeal the award, if desired**

Many students who aren't happy with their aid offers this year will be asking financial-aid officers to take a second look, in a process that's known as professional judgment. The Free Application for Federal Student Aid (Fafsa) form for receiving federal aid during the 2021-22 academic year looks at the family's financial data from 2019, and many families have seen their financial situations worsen since then because of the pandemic.

Aid offices need a 12-month estimate of income, though which 12 months is at the discretion of the aid officer, says Daniel Barkowitz, assistant vice president in the financial aid and veterans' affairs office at Valencia College in Orlando, Fla.

When seeking review, you'll need to provide documentation. Just saying a parent lost a job, for example, won't cut it. If a parent has filed for unemployment, a school will need to see related paperwork. If a parent has died, the student should be prepared to present a copy of the death certificate, Mr. Barkowitz says. Each college has its process and time frame for professional judgment assessments, so it's advisable to appeal as soon as possible to have all the information you need to make your decisions by May 1, the commitment deadline for most colleges.

## **After accepting aid**

In cases where grants and scholarships aren't enough to cover everything, there are different loan options, including federal student loans, federal Parent Plus loans, private loans, home-equity loans or a home-equity line of credit. There are pluses and minuses to each, so parents should fully research each option before taking it.

After accepting aid, there also can be additional steps to take.

For example, students who plan to accept a work-study award should prepare a résumé and start looking over the summer for available jobs. Most institutions have a work-study listing on their website, but the onus is on the student to find a position and apply.

Before federal loans can be disbursed, the federal government requires families that are new to the federal loan program to complete entrance counseling. This can be done online at [studentaid.gov](https://studentaid.gov) using the same login information used for the Fafsa. Click on the “Complete Aid Process” tab to complete the necessary steps, including the counseling, which typically takes 20 to 30 minutes, according to Federal Student Aid.

To assume federal student loans, families also have to complete an annual loan-acknowledgment form, which generally takes less than 10 minutes. The form acknowledges that you understand how much you owe and how much more you can borrow.

First-time borrowers (and students who have transferred schools) will also have to sign a Master Promissory Note, agreeing to the terms of the loan or loans taken. Parents who take Plus loans must fill out a separate note for each dependent child whose education they are helping to finance, according to Federal Student Aid.

Families also should check with their school to see what other requirements, if any, must be satisfied before aid can be disbursed. For example, with grants or scholarships, you might need to write a thank-you note to the provider as a condition for receiving the money, Mr. Barkowitz says.

## **Other important considerations**

Families who are initially unsure about their borrowing needs may want to wait a bit to complete the steps necessary to receive the federal funds until they are sure what is needed. A student might not need to take as much in loans, for example, if he or she qualifies for an outside scholarship or works a summer job, says Mary Sommers, director of financial aid at University of Nebraska at Kearney.

Parents should also ask the school about its policies related to the Family Educational Rights and Privacy Act, or Ferpa. This federal law protects the privacy of students' education records, including financial-aid-related matters. Check with your institution and ask how you get a waiver on file to allow parents to have access to aid information. If the institution doesn't have a waiver, ask what the policy is about sharing bill and financial-aid information at the student's discretion, says Ms. Vedder of the University of Michigan-Flint.

"A lot of parents don't realize that once their children are in college, they can't just call up an office and have a conversation about their finances," she says.