Overview of financial aid

Overview Part 2

# Financial Aid’s Two Categories

Need Based Aid and Non-Need Based Aid.

# Cost of Attendance (CoA)

Each college estimates their total cost to attend their university. This CoA is an estimate for one year and it includes the tuition/fees, room and board, books, transportation and other miscellaneous expenses.

# Expected Family Contribution (EFC)

This number is calculated by the government’s financial aid applications. It’s an estimate of what they believe the family can pay on an annual basis for the student’s education. Both the parents’ and the student’s income and assets are used to calculate this number. The schools will then use this number to determine if the family qualifies for Need Based Aid or not.

# How to Determine the Need

The CoA minus the EFC equals Need. For example: if a college posts a CoA of $40,000 and the family has an EFC of $30,000 then there is a Need for the difference…in this case, $10,000. This family would qualify for Need Based Aid and the school very well may cover the difference. However, if another family has an EFC of $60,000 then the Need would be $-20,000…this family would be in a Non-Need Based Aid position and wouldn’t qualify for any Need Based Aid.

# Notes