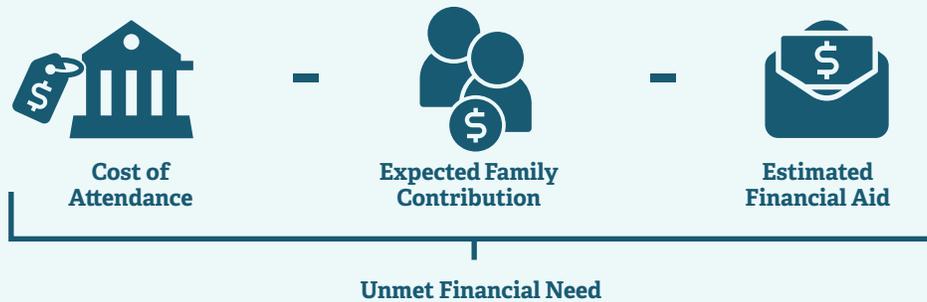




The Financial Aid Eligibility Formula

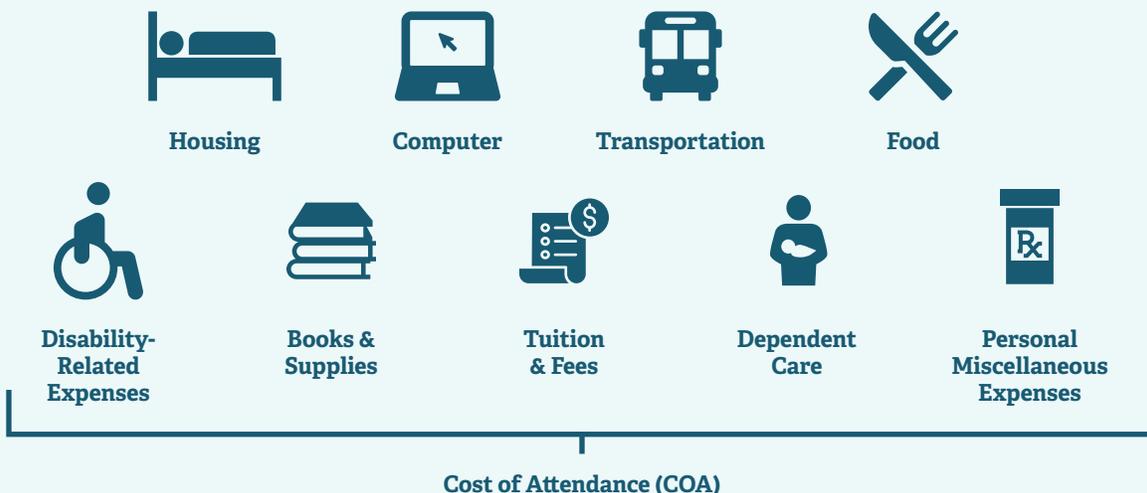
How is financial aid eligibility calculated?

Eligibility for federal student aid, and for all types of aid for students who receive federal student aid, is determined through a process called “need analysis,” which subtracts a student’s Expected Family Contribution (EFC) and Estimated Financial Aid (EFA) from their total Cost of Attendance (COA). The resulting amount is their “unmet financial need,” which represents the student’s eligibility for more financial aid, like emergency aid.



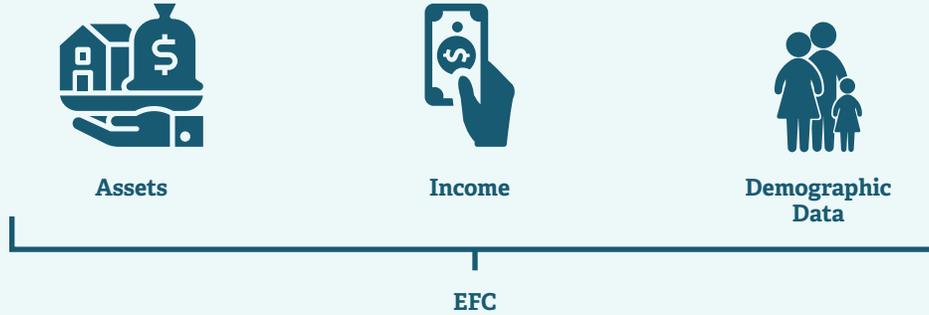
What costs are factored into the Cost of Attendance (COA)?

The COA is an institutionally-developed estimate of the total direct and indirect costs a student will incur to enroll at a postsecondary institution for a specified period of time, generally one academic year. Below are some of the more common COA components; the law does permit for some less-common costs not shown here.



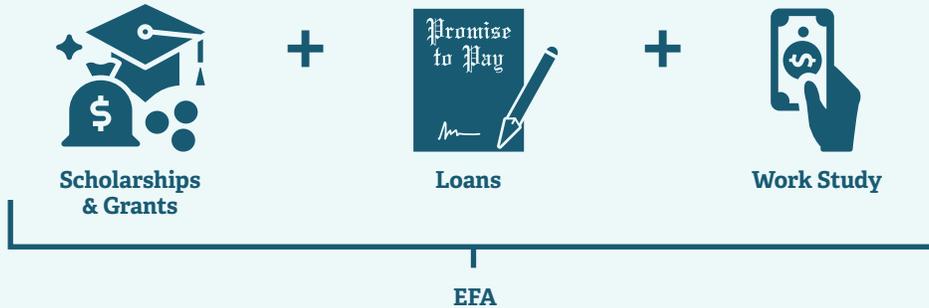
How is the Expected Family Contribution (EFC) calculated?

The EFC is the end result of a formula developed by Congress that uses the information a student provides on the Free Application for Federal Student Aid (FAFSA) to determine what they would be expected to cover from their own resources for one year of higher education.



What is Estimated Financial Aid (EFA)?

EFA is the total amount of financial aid a student receives. EFA includes scholarships & grants, loans, and need-based employment like work-study. EFA can come from federal or state governments, institutions, or private organizations or companies.”



How do changes to the need analysis formula components impact a student's unmet financial need?

Changes to the student's COA, EFC, or EFA can all impact a student's unmet financial need and, as a result, their eligibility for financial aid.

Scenario 1: Loss of Income

If a student lost their job, they might submit a request for a reconsideration of their financial aid package. The financial aid office might use their expected income this year instead of their 2-year old income reported on the FAFSA, to recalculate their EFC. In this case their EFC decreases, causing their unmet need to increase by the same amount.

Original Calculation			
COA = \$20,000	EFC = \$10,000	EFA = \$3,000	Unmet need = \$7,000
	↓		↓
COA = \$20,000	EFC = \$6,000	EFA = \$3,000	Unmet need = \$11,000

Calculation Revised Due to Job Loss

Scenario 2: Cost of Attendance Increase

Same student requested that the financial aid office increase their COA because the actual cost of their books and supplies exceeded the amount estimated in the COA, their COA would increase, which would increase their unmet need by the same amount:

Original Calculation			
COA = \$20,000	EFC = \$10,000	EFA = \$3,000	Unmet need = \$7,000
↓			↓
COA = \$21,000	EFC = \$10,000	EFA = \$3,000	Unmet need = \$8,000

Calculation Revised Based on Actual Cost of Student's Books and Supplies

Scenario 3: Emergency Aid Awarded

If this same student requested \$800 of emergency aid because their car broke down and needs repairs, their EFA would increase, which would cause their unmet need to decrease by the same amount:

Original Calculation			
COA = \$20,000	EFC = \$10,000	EFA = \$3,000	Unmet need = \$7,000
		↓	↓
COA = \$20,000	EFC = \$10,000	EFA = \$3,800	Unmet need = \$6,200

Calculation Revised Due to Receipt of Emergency Aid