Apply Now for Fall/Winter 2014-2015 Aid!

Continuing U-M students who want to apply for financial aid for next year must submit a 2014-2015 Free Application for Federal Student Aid.

To apply, visit: www.fafsa.gov.

WHEN TO APPLY:
- We must receive your FAFSA by APRIL 30 to consider you for federal and institutional aid.
- Allow 3-4 weeks for processing. This will ensure that you meet deadline if your FAFSA is rejected and you need to resolve a problem. Check your Student Aid Report to see if corrections are needed.
- If we receive your FAFSA after April 30, you will still be considered for aid, but funding may be limited and you may not be offered grants or Work-Study.
- Award notification typically begins in June for continuing students. Students are notified in the order in which they apply for aid.

TIPS ON FILING:
- Read application instructions at: www.finaid.umich.edu/CurrentStudent. (Do not submit a CSS/Financial Aid PROFILE if you have completed one in the past.)
- If your family has not filed a 2013 tax return or will request an extension, complete the FAFSA using estimated data. If necessary, it can be corrected after your 2013 tax return is completed.
- Students and parents can use IRS data from tax returns to automatically populate their FAFSA. Visit www.fafsa.gov for information about the IRS Data Retrieval Tool and how to use it.
- The federal processor will reject a FAFSA if information is missing or incorrect. If your FAFSA is rejected, your application will not be processed and you must resolve the problem before the deadline. Apply soon!

Apply soon!

More information on Page 2

Upcoming Financial Aid DEADLINES

MARCH 28, 2014
PRIORITY DEADLINE FOR 2014 SPRING/SUMMER AID
For students attending Spring/Summer terms, we must receive your application by this date to consider you for all aid. Financial aid, especially grant aid, is limited for these terms. Consult with your academic advisor and consider whether you need to attend.

Although you may apply after this date, aid availability may be limited. No applications will be accepted after:
- June 4 for Spring Term
- July 30 for Summer Term and the 16-week Spring/Summer Term.

APRIL 30, 2014
PRIORITY DEADLINE FOR 2014-15 FALL/WINTER AID
We must receive your FAFSA by April 30. (Allow 3-4 weeks for processing so that your FAFSA arrives at U-M on time.) Visit www.fafsa.gov.

JUNE 1, 2014
DEADLINE FOR 2014-15 FALL/WINTER REQUIRED DOCUMENTS
If we ask you to submit additional documents for your application, we must receive them no later than this date to consider you for all aid.
Explore scholarship opportunities

Now is a great time to look for scholarships for Fall/Winter 2014-2015.

**U-M SCHOLARSHIPS:**

Although students are automatically considered for most U-M scholarships, a few scholarships have special eligibility criteria and/or require a separate application. To be considered for all scholarships for which you are eligible:

- Complete or update your scholarship profile in Wolverine Access. Log in to Wolverine Access and select My Scholarship Profile in the Campus Finances section. Submit information about yourself to be used in identifying your eligibility for certain university scholarships. Completing your scholarship profile does not mean you qualify for the scholarships, but it ensures that you will be in the pool for consideration when the supplemental information is needed.

- Check the OFA Scholarship Listing on our website (www.finaid.umich.edu/ScholarshipsandGrants) for scholarships that require a separate application. Apply for any for which you are eligible.

**PRIVATE SCHOLARSHIPS:**

You can also apply for private scholarships through non-university organizations and businesses. Information on how to find and apply for private scholarships can be found on the Private Scholarships page of our website (www.finaid.umich.edu/PrivateScholarships). The site also includes a listing of many private entities that offer scholarships to college students.

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**Fall/Winter aid deadline is April 30:**

**IRS Data Tool is an option, but don’t wait to apply**

If income taxes have been filed and data is available, most students and families will be prompted to allow tax data to automatically populate fields on the FAFSA using the IRS Data Retrieval Tool. The Office of Financial Aid advises students and families to use the data retrieval tool if prompted, but not to wait to file their FAFSAs in case there are questions or items that need to be clarified.

“We want to ensure that students and families file their FAFSAs so that we receive them by our April 30 deadline,” said Associate Director for Client Services Vickie Crupper. “If families wait too long, or there is an error or delay in the FAFSA, they may not be considered for all types of aid.”

The tool uses information from applicants’ tax returns to populate fields in the FAFSA. Crupper said the tool is helpful, but students and families should not wait, especially if they won’t file their taxes until April.

The 2014-15 FAFSA is now available and must be filed and submitted to U-M Office of Financial Aid on or before April 30, 2014. This priority deadline ensures that students are considered for all available aid, including grant money which is a direct gift to students.

Crupper said sometimes FAFSAs have errors that must be corrected before they are sent to U-M. The university will not receive your FAFSA record if there are errors.

Crupper stresses: “Don’t wait. Get those FAFSAs filed in a timely way so you can be considered for aid.” Call our office if you have questions: 734-763-6600.

**AFTER YOU APPLY:**

**Check Your Student Aid Report (SAR)**

After you submit your FAFSA, the federal processor will review your information, calculate your Expected Family Contribution (EFC), and send a record of this information to our office. In addition, the federal processor will send you a record of your FAFSA information, called a Student Aid Report, or SAR.

Be sure to review your SAR information carefully! If corrections are needed, make them as soon as possible and submit the updated information. Confirm that the record will be sent to University of Michigan-Ann Arbor, by using federal school code 002325.

Here are four common reasons that FAFSAs are rejected:

1. Parent/Student signatures are missing
2. Social Security Number is incorrect
3. Date of birth is incorrect
4. Student’s name has a misspelling

A note about signatures: When completing or correcting your FAFSA, include your signature and the signature of one of your parents (a parent signature is required if you are a dependent student or if you are a Pharmacy or Dental student applying for Health Professions Loan funds). If you forget a signature, your FAFSA will be rejected and you might miss the priority deadline date to be considered for all aid programs.

You and your parent can provide your signatures electronically with separate Personal Identification Numbers (PINs) at www.fafsa.gov (select “Sign Electronically with your PIN”). To request a PIN, or if you have forgotten your PIN, visit www.pin.ed.gov. Alternatively, if you received a paper SAR, you and your parent can sign and return your paper SAR to the federal processor.
Students should consider options that could reduce the need to borrow and borrow only what is necessary to achieve the goal of a U-M college education:

- Use personal or family assets before considering a loan
- Consider the U-M Payment Plan for Fall/Winter which helps families spread costs over 5 months for each semester
- Consider part-time employment to stretch your dollars without borrowing
- Review your lifestyle choices and expenses for ways to trim costs
- In Spring/Summer, consider taking classes closer to home where you will incur fewer costs

U-M initiatives highlight financial literacy efforts for students around campus

The University of Michigan is taking multiple steps to put the issue of student financial literacy front and center through a variety of initiatives, including a one-credit mini-course through LSA, a debt-awareness initiative and a continuing partnership with the National Endowment for Financial Education.

The LSA mini-course, “The Financially Savvy Student,” was offered last fall and is being offered again Winter Term to teach students financial literacy basics and how to use them in their lives.

The course develops skills in managing money and planning for the future, including safe and smart use of credit and debit cards, developing budgets and financial self-assessments, leveraging financial aid and scholarships, and considering research and internships.

“My hope is that participants leave the course with skills to make positive personal financial decisions and knowledge about why it is important to their lives, families and communities,” said Kristin Bhaumik, assistant director for special programs in the Office of Financial Aid and course instructor.

Impetus for the mini-course came from the LSA Scholarship Office and a student literacy group that works through that office.

Also introduced to the U-M campus in 2013 was a Smart Borrowing initiative, which addresses financial literacy and student debt. Students are counseled on individual debt, and some borrowers are required to complete online tutorials and add up cumulative debt before taking out additional federal loans.

This new approach affords Office of Financial Aid staff to counsel students individually on education and living costs.

“It is important that students understand the consequences and responsibilities of borrowing before taking that step,” says Office of Financial Aid Executive Director Pamela Fowler.

“All loans, including student loans, are a serious obligation and students should borrow only what they need to pay for their education.”

The Office of Financial Aid also developed the College Wallet Workshop, a hands-on event to teach students about college costs, budgeting and basics on checkbook balancing.

STUDENTS:
Consider options to additional loans

Much has been written about student loan debt. Although average undergraduate borrowing at U-M is below the national average, there is a collective concern about our students’ future debt.

The University has a long-standing commitment to meet the full demonstrated need of all Michigan residents who apply by our deadline and accept all aid offered. Even with U-M’s commitment of need-based grant funds, some borrowing is necessary for many of our applicants to meet full need.

Loan types have an impact on the debt students will owe when they graduate.

Need-based loans have lower interest rates and subsidies covering interest. Non-need-based loans such as Unsubsidized Federal Direct Loans or private loans typically have higher interest and it accrues during periods of enrollment. (Though borrowers of Unsubsidized Loans may defer payments while enrolled, interest is added to loan principal when students finish school and begin repayment.)

Initial aid offers for some undergraduates will not include Unsubsidized Loans, although they are available to eligible students through a separate process. Information about obtaining these loans is provided with your Award Notice.

The process includes an online tutorial, calculating cumulative student debt and considering what it will cost to take out an additional loan. Students requesting an unsubsidized loan for Spring/Summer also meet with an aid officer.

Graduate and professional-level students continue to be awarded unsubsidized loans.
IT’S TIME TO APPLY FOR 2014 SPRING/SUMMER FINANCIAL AID

Request financial aid before the priority filing deadline of March 28

Materials are now available for students to apply for 2014 Spring/Summer financial aid at U-M. Unless you are studying abroad, students requesting aid must file a Request for Funds Form, available online at www.finaid.umich.edu/Forms/RequestforFundsForm.aspx. Paper versions of form and instructions may be found at www.finaid.umich.edu/Forms.

Some special situations:
• Addendums are required if you are in a Social Work practicum or applying for a Spring/Summer TEACH Grant. Complete the necessary addendums and submit them to the Office of Financial Aid in addition to filling out the Request for Funds Form.
• Students studying abroad will complete a 2014 Spring/Summer Study Abroad Financial Aid Request, available in PDF form at www.finaid.umich.edu/Abroad. They do not complete an RFF.

Students who have young, dependent children in child care may be eligible for the U-M Child Care Subsidy Program, which helps students with the cost of licensed child care. To apply, students must meet several eligibility criteria and must file a 2013-2014 federal Free Application for Federal Student Aid (FAFSA) and an application for the subsidy. Visit www.finaid.umich.edu/ChildCare for more information.

Priority filing deadline is March 28, 2014 for students to be considered for all Spring/Summer financial aid.

The Office of Financial Aid will determine your aid package based on your enrollment; you do not need to notify us of planned changes in your attendance.

A few additional Spring/Summer tips:
• Register for Spring/Summer classes during your enrollment period. Register for classes at least half time in order to receive aid.
• Aid is awarded based on the assumption of full-time enrollment. If you enroll less than full-time, your aid will be reduced after drop/add.
• Your enrollment level will be monitored throughout the award period. Changes may result in a reduction or cancellation of aid, or you may be required to repay funds already paid to you.
• File only one Request for Funds Form (RFF) when applying for Spring-Summer aid; multiple submissions may delay processing of your aid.

Compare private loan programs carefully, exhaust all federal loan eligibility

Before considering borrowing through a private lender, we encourage students to:
● Exhaust all other financial aid sources, including federal loans
● Look for ways to reduce expenses before deciding how much to borrow
● Borrow only what is needed for your educational costs
● Ask questions and compare rates and terms offered by different lenders

Private student loans are offered through a variety of banks and other lenders. The best rates on private loans are generally offered to borrowers with good credit or who have a cosigner with good credit. When shopping, look for a loan that can be handled in both the short term and the long term.

You will be repaying it for several years after graduation.

The terms of federal student loan programs are often more favorable than those of private loans. To compare typical private loans with the terms of the federal PLUS Loan, see the OFA website: www.finaid.umich.edu/PrivateLoans.

A Word of Caution to Private Loan Borrowers: Students and families should research carefully, compare rates and terms offered by lenders, and be sure they understand them. If possible, limit borrowing by reducing expenses:

“Loan debt can accumulate quickly and result in a lifetime burden of high payments and credit denials for automobile purchases, credit cards, and home mortgages. Private loans also can reduce eligibility for more desirable federal, state and college aid programs. To avoid these problems, read and understand the terms and conditions of all loans.”

The Michigan Student Financial Aid Association

First payment of financial aid funds will be available to students on May 2, 2014 for Spring and Spring/Summer terms and on June 23, 2014 for Summer Term.

Contact us if you have questions at 734-763-6600 or email us at financial.aid@umich.edu.

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The Michigan Student Financial Aid Association
FILING YOUR TAXES?
Don’t forget your education tax credits

The American Opportunity Credit, approved for education expenses paid through December 2017, allows eligible taxpayers to claim up to $2,500 per student per year on their federal tax returns. Families with incomes up to $90,000 ($180,000 for joint filers) may claim the credit for students who are enrolled in their first four years of college. Books and course materials are included among the eligible expenses.

The Lifetime Learning Credit allows families to claim up to $2,000 for qualified education expenses paid for students enrolled in eligible educational institutions. Families with incomes of up to $63,000 ($124,000 for joint filers) qualify and it is available for all years of post-secondary education. However, a taxpayer cannot claim both the American Opportunity Credit and the Lifetime Learning Credit for the same student in one year. (The Lifetime Learning Credit may be particularly helpful to graduate students, students who are taking only one course, and students who are not pursuing a degree.)

American Opportunity and Lifetime Learning Credits are claimed on Form 8863 (attached to form 1040 or 1040A). For details, visit IRS website: www.irs.gov/uac/Tax-Benefits-for-Education:-Information-Center.

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<thead>
<tr>
<th>Table 1. COMPARISON OF EDUCATION CREDITS (Source: irs.gov)</th>
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<tr>
<td><strong>AMERICAN OPPORTUNITY CREDIT</strong></td>
</tr>
<tr>
<td><strong>Maximum credit</strong></td>
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<tr>
<td><strong>Limit on modified adjusted gross income (MAGI)</strong></td>
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<tr>
<td><strong>Refundable or nonrefundable</strong></td>
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<tr>
<td><strong>Number of years of postsecondary education</strong></td>
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<tr>
<td><strong>Number of tax years credit available</strong></td>
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<tr>
<td><strong>Type of program required</strong></td>
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<tr>
<td><strong>Number of courses</strong></td>
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<tr>
<td><strong>Felony drug conviction</strong></td>
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<tr>
<td><strong>Qualified expenses</strong></td>
</tr>
<tr>
<td><strong>Payments of academic periods</strong></td>
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Looking for something?
Financial Awareness Counseling Tool: https://StudentLoans.gov
Direct Loan Entrance Counseling: https://StudentLoans.gov
Direct Loan Exit Counseling: www.nslds.ed.gov
Direct Loan Master Promissory Note: https://StudentLoans.gov
U-M Student Employment Office: www.studentemployment.umich.edu
Legal same-sex marriages recognized for federal aid applications

Federal Student Aid is requiring same-sex to report their status as married on the Free Application for Federal Student Aid (FAFSA), if they were legally married in a state or other jurisdiction (foreign country) without regard to where the parents live or where the student will attend college.

The changes follow a U.S. Supreme Court decision which ruled a key part of the Defense of Marriage Act as unconstitutional.

As with all married couples, parents should provide separate information on the FAFSA and report marital status as of the date the FAFSA is signed. This guidance impacts all FAFSA questions concerning marriage and marital status.


Moving off-campus won’t affect amount of financial aid

Students choosing to live off-campus will still receive financial aid budgeted for housing, based on living on campus in a double room in a dorm.

But off-campus students must use their aid refund to pay their rent directly to a landlord unlike those living on campus that have aid applied against the student bill. Plan accordingly, as you will have four months’ rent in your refund to pay for the entire semester.

Apply for PLUS loans in mid-May

Unsubsidized Direct PLUS Loans are available to parents of dependent undergraduates or graduate students who:

• are not eligible for other types of aid
• have unusual costs above standard student expense budgets
• have remaining financial need after other forms of aid have been awarded
• wish to borrow all or part of their Expected Family Contribution.

The U-M Office of Financial Aid begins accepting applications for 2014-15 PLUS loans in mid-May. (If you apply earlier, your application will not be accepted.) If you have questions, visit www.finaid.umich.edu/PLUS.

Do your parents need a PIN or a Friend Account?

Get a PIN: A U.S. Department of Education Personal Identification Number enables you to apply for financial aid and make corrections to your Free Application for Federal Student Aid (FAFSA) online. You can also use it to obtain information about your federal loans. Parents are strongly encouraged to get their own PIN to use in place of a signature for the online FAFSA. Visit pin.ed.gov.

Set up a friend account: Students may authorize up to four persons to view a bill and financial aid information. Under student business, visit the Student Center and select Parent/Family Authorization. Students can also sign up their Friends & Family to receive this Office of Financial Aid newsletter.

Parents/family with this access may view student information in this way:

• Go to Wolverine Access (https://wolverineaccess.umich.edu/)
• Under the “Parents & Family” tab, select “My Student’s Information”
• Login using Friend logon or U-M uniqname.
• Select student from “Select a Student” drop-down box. (Note: If parent/family member has access to more than one account, each student will be listed.)
• Click the invoice number for the invoice to be viewed/printed.

Is my aid taxable?

When filing 2013 taxes, remember that part or all of your grant, scholarship, or fellowship may be taxable even if you do not receive a W-2 form.

If you are enrolled in a degree program, aid funds you use for expenses other than tuition and course-related expenses are taxable. Add up grant, scholarship, and fellowship awards received in a calendar year and subtract all tuition, fees, and book and supply expenses. If the remaining amount is a positive number, it must be reported as income on your taxes AND on your 2014-15 Free Application for Federal Student Aid (FAFSA).

If you are not in a degree program, the full amount of the grant, scholarship, or fellowship is taxable. You must also report Work-Study earnings as income on your taxes and your 2014-15 FAFSA. You should receive a W-2 form showing your earnings.

Paying and applying aid

All financial aid, except Work-Study wages, is applied against charges on student accounts. Any amount beyond what is owed on your account is paid or refunded to students.

If you have direct deposit, your refund is deposited directly into the bank account you have on file with the University. Otherwise, a check is sent to your local address on file. (To enroll in direct deposit, click on the “Direct Deposit” link in your Student Center in Wolverine Access.

If you have a credit due to making a cash payment, request a refund from Student Financial Services. (www.finops.umich.edu).