

# Financial Aid Basics

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# Completing the FAFSA

- [www.fafsa.gov](http://www.fafsa.gov)
- Congratulations! You are now an independent student!
- What does that mean for you?
  - Must use your financial information
  - You are able to sign the FAFSA without your parent's signature
  - Some schools may require your parents financial information for institutional aid

# How to complete the FAFSA

- Must have your 2010 tax form or estimates of your wages and tax liability
- Must select appropriate filing status
- Don't get alarmed if some of the answers are zero
- Sign with your PIN- [www.pin.ed.gov](http://www.pin.ed.gov)
- Know the school code for prospective schools
  - You can choose 10 schools when completing your FAFSA but more can be added later

# Reporting Income

- NIH Stipend
  - 1099 stipend must be reported and is taxable
  - Should be reported on 1040 line 21 as other income and listed as a stipend
  - The 1040EZ does not have a section for other income so you may not be eligible to file a 1040A or EZ
  - Your stipend does not have to be recorded as other untaxed income on the FAFSA
  - Research your state of residence to see if you need to file state income tax

# Now that's done, what do I get?

- Investigate institutional funds
- Graduate students are not eligible for a Pell grant
- Most aid comes in the form of student loans

# Federal Student loans

- Administered by the federal government
- Have aggregate and yearly limits
- Must complete a FAFSA to be eligible
- Both need based and non need based loans
- If you have previous student loans you can defer payment while in school
- 6.8% interest rate, 7.9% interest rate for Grad PLUS
- Always exhaust federal student loan eligibility before borrowing a private loan

# Federal Student Loans

- \$8,500 subsidized- interest is paid while you are in school
- \$12,000 unsubsidized
- Grad PLUS loan
  - Can be borrowed after sub and unsub loan eligibility has been used
  - Can borrow up to the total cost of attendance for a school
- Aggregate limit
  - \$65,000 subsidized
  - \$138,500 total
  - \$224,000 for those in the health professions

# Loan Repayment Programs

- The state and federal government has several loan repayment programs
  - Go to [www.studentloans.gov](http://www.studentloans.gov) for details on plans
- Some private employers offer loan repayment assistance
- Make sure that you fully understand your repayment terms
  - A long time line may offer smaller payments but the interest can double the amount that you pay over the lifetime of the loan

# Next Steps

- Contact the financial aid office of your intended school
- Investigate other sources of assistance
- Defer current loans if you plan on enrolling for Fall 2011
- Remember to do your FAFSA every year!

Good Luck!

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