

THE TOP 10

things to understand about need-based financial aid



Middlebury
College

- 10. At need-blind institutions, applying for financial aid does *not* impact admissions decisions.** The cost of a private college education is such that few families are able to meet the cost without some sacrifices, and most need some help. If you think you may need help, do not hesitate to apply for it. If you wait to apply for aid until you find out if you are admitted, you may be disqualifying yourself from receiving anything!
- 9. The Estimated Family Contribution (EFC) is a measure of your family's financial strength in terms of paying for college.** Need analysis is a process of determining how much a family (including the noncustodial family, in cases of divorce) can afford in educational costs *over time*. That means that a financial aid office will take into consideration all accumulated assets, prior year and current income, and borrowing capacity. How a family meets its EFC from those three sources is a matter of personal choice, but all of them will be considered.
- 8. Assets, such as personal savings, home equity, and investments, are usually *not* the primary drivers that determine a family's EFC.** Families that have such assets are better off than those who do not, so they have to be taken into consideration, but for most families, the greatest portion of the EFC is derived from income, not assets. Families that have saved systematically in the past are still far better off for having done so, since they are in a better position to meet the EFC from those assets than those who have to borrow to do so.
- 7. Monthly debt payments are typically *not* taken into consideration by need analysis.** Every family receives allowances (based on factors such as family size, location, and age of parents and siblings) toward housing, food, transportation, and other living costs. However, need analysis does not factor in the actual amount that families pay for their home mortgages, car loans, and other debts.
- 6. Nondiscretionary expenses (e.g., medical costs, siblings' private school costs, etc.) are taken into consideration in need analysis.** Every family's financial situation is unique, and you should share any unusual expenses that your family confronts in case these expenses could be factored into your EFC.
- 5. Support for other siblings in college counts!** Families supporting more than one dependent student in college can receive a substantial reduction in their EFC. The amount of the reduction may depend upon the relative cost of the institutions other siblings attend.
- 4. Familiarize yourself with the financial aid section of the college website.** You will find information specific to financial aid application deadlines, the documents required to complete an aid application, the aid packaging policies, the components of an aid package, policies concerning the treatment of outside scholarships, whether financial aid is available for study abroad, and types and terms of various education loans.
- 3. Get to know the financial aid counselors.** In the long run, openly sharing information about your family's financial situation may be even more important than getting to know the admissions office staff. Whatever institution you choose to attend, the financial aid staff's familiarity with your family's financial situation will be an important resource.
- 2. Deadlines matter.** In order to receive any financial aid for which you may be eligible, you need to apply by the deadline. Missing a deadline may result in you not receiving any aid at all.

AND THE #1 THING THAT FAMILIES NEED TO UNDERSTAND ABOUT NEED-BASED FINANCIAL AID:

- 1. The primary goal of any financial aid office is to arrive at an EFC that makes it possible for an admitted student to attend that institution and to do so in a way that is fair to all of the other families applying for financial aid.** This is a goal that all need-based colleges strive to achieve.