

Appendix B: Award Letter Format Cases

This document shows clear and confusing practices of financial aid notification pulled from award letters in the uAspire Award Letter Datamart. Specific cases below correspond with Written and Oral Testimony.

Case 1: Loan Terminology

(a) **Confusing:** The word loan is not included on award letter

Direct Sub	\$	3,500
Direct Unsub	\$	2,000
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	\$	5,500

(b) **Clearer:** Full name of loans provided

Federal Direct Subsidized Loan	1750.00	1750.00	3500.00
Federal Direct Unsubsidized Loan	3000.00	3000.00	6000.00

Case 2: Presentation of Cost of Attendance

(a) **Confusing:** Cost of Attendance presented as one lump sum without any details of direct expenses vs. indirect expenses

This award is based on your expected full-time undergraduate enrollment each semester and your Cost of Attendance of \$53,790.00. The Cost of Attendance (COA) includes tuition, fees, room and board (if a resident) and estimates of indirect expenses such as books, transportation, personal and living expenses.

(b) **Clearer:** Details of Cost of Attendance provided with breakdown of both direct and indirect expenses

<u>Direct "Billed" Expenses</u>		<u>Indirect Estimated Expenses</u>	
Tuition and Fees	\$50,834	Books and Supplies (estimated)	\$1,300
Room and Board	\$13,530	Personal & Travel (estimated)	\$1,336
Total Direct Expenses	\$64,364	Total Indirect Expenses	\$2,636
Total Cost of Attendance \$67,000			

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Case 3: Organization of financial aid offered on the award letter

(a) **Confusing:** Financial aid is not organized by type

Type of Aid	Fall	Spring
Fee Grant	1,300.00	1,300.00
Tuition Grant	900.00	900.00
Tuition Waiver	450.00	450.00
Expected MassGrant	550.00	550.00
Fed. Subsidized Loan	1,750.00	1,750.00
Fed. Unsub. Loan	1,000.00	1,000.00
Federal Pell Grant	2,908.00	2,907.00
Federal SEOG Grant	100.00	100.00
Federal Work Study	900.00	900.00
MA No Interest Loan	500.00	500.00
Total	\$10,358.00	\$10,357.00

(b) **Clearer:** Financial aid is organized by type, differentiating between grants & scholarships, loans, and work-study.

GRANTS (money you <u>do not</u> have to pay back):	
Faculty Scholarship	\$29,000.00
Federal Pell Grant	\$5,815.00
Fed. Ed Opportunity Grant	\$2,400.00
WORK (money you can <u>earn</u> through a campus job):	
Federal Work Study	\$2,500.00
LOANS (money you have to <u>pay</u> back):	
Fed. Direct Subsidized Loan	\$3,500.00
Fed. Direct Unsubsidized Loan	\$2,000.00

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Case 4: Presentation of cost after financial aid is applied

- (a) **Confusing:** Financial aid offered equals cost of attendance to present student with a zero for remaining cost. PLUS Loan and work-study included in the calculation without explanation of non-guaranteed and next steps.

Award	Award Code	Fall	Spring	Total
EST Federal Pell Grant	PELL	\$2,233	\$2,232	\$4,465
EST Federal SEOG Grant	SEOG	\$250	\$250	\$500
EST Federal Work-Study	WS	\$1,350	\$1,350	\$2,700
EST Fed Direct Subsidized Loan	DLS	\$1,750	\$1,750	\$3,500
EST Fed Direct Unsub Loan	DLU	\$1,000	\$1,000	\$2,000
EST Fed Direct PARENT Loan	PLUS	\$12,998	\$12,999	\$25,997
TOTAL		\$19,581	\$19,581	\$39,162

ESTIMATED COST OF ATTENDANCE (COA)			
Category	Fall	Spring	Total
Tuition & Fees	\$12,750	\$12,750	\$25,500
Room & Board	\$4,481	\$4,481	\$8,962
Books & Supplies	\$500	\$500	\$1,000
Transportation	\$850	\$850	\$1,700
Personal & Misc Exp	\$1,000	\$1,000	\$2,000
TOTAL	\$19,581	\$19,581	\$39,162

Total Estimated COA	\$39,162
Less Financial Aid Offer	\$39,162
Unmet Estimated Costs*	\$0

*Unmet estimated costs is what you may be expected to cover on your own.

- (b) **Clearer:** Net cost provided before application of loans and remaining costs after loans are applied. Explanations are provided

What you will pay for college: Your net cost is the remaining balance left after your grants and scholarships are subtracted from the estimated cost of attendance.	Net Cost: \$43,462.00/ YR
OPTIONS TO PAY NET COSTS	
Loan Options: A portion, if not all, of your net cost may be funded through loans. Federal loans typically have the most attractive rates.	\$6,900.00/ YR Federal Perkins Loan \$1,400.00 Direct Subsidized Loan \$3,500.00 Direct Unsubsidized Loan \$2,000.00
What you would pay after the loan options above:	\$36,562.00/ YR

Case 5: Including PLUS Loan & work-study on the award letter

- (a) **Confusing:** PLUS loan must be applied for by a parent and work-study must be earned throughout the semester. Neither is guaranteed to be available to pay the bill.

ESTIMATED FINANCIAL AID OFFERED			
AWARD	Fall 2016	Spring 2017	Total
Federal Pell Grant	\$2,683.00	\$2,682.00	\$5,365.00
SEOG Grant (min. 12 cr)	\$468.00	\$467.00	\$935.00
Perkins Loan (min. 12 cr)	\$1,000.00	\$1,000.00	\$2,000.00
Fed. Sub. Stafford Loan	\$1,750.00	\$1,750.00	\$3,500.00
Fed. Unsub. Stafford Loan	\$1,000.00	\$1,000.00	\$2,000.00
Parent Loan(If Credit Approvd)	\$9,114.00	\$9,114.00	\$18,228.00
Federal Work Study	\$1,500.00	\$1,500.00	\$3,000.00
Scholarship	\$1,250.00	\$1,250.00	\$2,500.00
Journalism Sch.	\$1,250.00	\$1,250.00	\$2,500.00
Total Financial Aid	\$20,015.00	\$20,013.00	\$40,028.00

- (b) **Clearer:** PLUS Loan and work-study are explained and presented as options to help pay remaining costs.

Additional Affordability Options		
Pursue a Parent PLUS Loan (apply via studentloans.gov) to offset any educational expense not covered by other financial aid (Total Cost minus all other aid)	Enroll in the Payment Plan to pay any remaining Direct Cost in monthly installments of	Participate in the Federal Work-Study Program to earn additional money that you can put toward personal expenses throughout the year.
\$22,941	\$2,593	\$2,000