



Fall 2016 Bill for Darnell - Low Income Example

Case Study¹: Darnell applies for federal financial aid by completing the Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov. The federal government determines his Expected Family Contribution² (EFC) to be \$0. The EFC represents a family's ability to contribute toward the student's education and is used by all colleges to determine a student's federal aid eligibility. Darnell's family consists of 4 people (mom, dad, and one sibling) and his parents earn about \$25,000 per year. Darnell compares the cost of living on-campus versus commuting from his parents' home:

On-Campus	
Tuition	\$ 3,235.00
Fees	\$ 615.50
Room - Standard Double	\$ 3,891.00
Meal Plan - Balance 14	\$ 2,600.00
Total Charges	\$ 10,341.50

Commuter	
Tuition	\$ 3,235.00
Fees	\$ 615.50
Room	\$ -
Meal Plan	\$ -
Total Charges	\$ 3,850.50

Federal Pell Grant	\$ 2,908.00
Federal SEOG Grant	\$ 100.00
NYS TAP Grant ³	\$ 2,582.50
SUNY Tuition Credit	\$ 665.00
Federal Subsidized Loan ⁴	\$ 1,750.00
Federal Unsubsidized Loan ⁴	\$ 1,000.00
Federal Perkins Loan ^{4,5}	\$ 1,000.00
Parent PLUS Loan ⁴	\$ -
Total Aid	\$ 10,005.50

Federal Pell Grant	\$ 2,908.00
Federal SEOG Grant	\$ 100.00
NYS TAP Grant ³	\$ 2,582.50
SUNY Tuition Credit	\$ 665.00
Federal Subsidized Loan ⁴	\$ -
Federal Unsubsidized Loan ⁴	\$ -
Federal Perkins Loan ^{4,5}	\$ -
Parent PLUS Loan ⁴	\$ -
Total Aid	\$ 6,255.50

Amount Due (excluding textbooks) \$ 336.00

Refund (excluding textbooks) \$ (2,405.00)

Discussion: Darnell calculates that he will owe \$336 per semester if he lives on-campus. Additionally, he would need to pay out-of-pocket for textbooks (approximately \$500/semester). Although Darnell qualifies for the maximum in federal and state grants and has borrowed student loans, his bill is not covered. Darnell's options to pay the remaining amount due include: enroll in the college's payment plan to divide the balance into four monthly payments; ask his parent to apply for a federal Parent PLUS loan; or borrow a private student loan (after securing a creditworthy co-signor). Darnell has a part-time job and has saved money, therefore, he decides he would be able to pay the remaining balance out-of-pocket using the payment plan. In total, Darnell would borrow \$7,500 in loans between the fall and spring semesters (\$3,500 subsidized, \$2,000 unsubsidized, and \$2,000 Perkins).

Commuting from home, Darnell has enough grant aid (free money) to cover his bill and will receive a refund of \$2,405 per semester. Although Darnell would be eligible to borrow student loans, he would chose to decline them with the goal to graduate college debt-free.

Download the "Bill Estimator" at financialaid.buffalostate.edu/costs to estimate your costs!

Notes and Disclaimers

¹ Case study assumes the student is a NYS resident and a U.S. Citizen or eligible non-citizen; student is considered "dependent" for financial aid purposes and is working on their first bachelor's degree.

² A student's EFC is derived from family income and assets, household size, and the number attending college.

³ New York State TAP is based on NYS taxable income, not the student's EFC. TAP and Pell are often similar amounts, but they can vary significantly.

⁴ All loans must be repaid after the student graduates or after he/she is no longer enrolled half-time.

⁵ Perkins Loans are available on a limited basis for on-campus students; not all eligible students will receive a Perkins Loan due to funding limitations. The Perkins Loan Program will expire after the 2017-2018 school year.