



## Fall 2016 Bill for Darnell - Low Income Example

**Case Study<sup>1</sup>:** Darnell applies for federal financial aid by completing the Free Application for Federal Student Aid (FAFSA) at [www.fafsa.gov](http://www.fafsa.gov). The federal government determines his Expected Family Contribution<sup>2</sup> (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
<b>Total Charges</b>	<b>\$ 10,341.50</b>

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

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

Federal Pell Grant	\$ 2,908.00
Federal SEOG Grant	\$ 100.00
NYS TAP Grant <sup>3</sup>	\$ 2,582.50
SUNY Tuition Credit	\$ 665.00
Federal Subsidized Loan <sup>4</sup>	\$ -
Federal Unsubsidized Loan <sup>4</sup>	\$ -
Federal Perkins Loan <sup>4,5</sup>	\$ -
Parent PLUS Loan <sup>4</sup>	\$ -
<b>Total Aid</b>	<b>\$ 6,255.50</b>

**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](http://financialaid.buffalostate.edu/costs) to estimate your costs!**

### Notes and Disclaimers

<sup>1</sup> 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.

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

<sup>3</sup> 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.

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

<sup>5</sup> 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.