



Fall 2016 Bill for Emily - Middle Income Example

Case Study¹: Emily applies for federal financial aid by completing the Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov. The federal government calculated her Expected Family Contribution² (EFC) to be \$3,000. 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. Emily's family consists of 4 people (mom, dad, and one sibling) and her parents earn about \$55,000 per year. Emily compares the cost of living on-campus versus commuting from her parent's 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 | \$ | 1,283.00 |
| Federal SEOG Grant | \$ | - |
| NYS TAP Grant ³ | \$ | 770.00 |
| SUNY Tuition Credit | \$ | 222.97 |
| 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 | \$ | 6,025.97 |

| | | |
|--|-----------|-----------------|
| Federal Pell Grant | \$ | 1,283.00 |
| Federal SEOG Grant | \$ | - |
| NYS TAP Grant ³ | \$ | 770.00 |
| SUNY Tuition Credit | \$ | 222.97 |
| Federal Subsidized Loan ⁴ | \$ | 1,750.00 |
| Federal Unsubsidized Loan ⁴ | \$ | 1,000.00 |
| Federal Perkins Loan ^{4,5} | \$ | - |
| Parent PLUS Loan ⁴ | \$ | - |
| Total Aid | \$ | 5,025.97 |

Amount Due (excluding textbooks) \$ 4,315.53

Refund (excluding textbooks) \$ (1,175.47)

Discussion: Emily calculates that she will owe \$4,316 per semester if she lives on-campus. Additionally, she would need to pay out-of-pocket for textbooks. Emily's options to pay the remaining amount due include: enroll in a payment plan to divide the balance into four monthly payments; ask her parent to apply for a federal Parent PLUS loan; or borrow a private student loan (after securing a creditworthy co-signor). Emily is unable to afford the payment plan and determines she would need to borrow a total of \$16,132 her freshmen year to cover her charges (\$3,500 subsidized loan, \$2,000 unsubsidized loan, \$2,000 Perkins loan, and \$8,632 private loan for the fall and spring semesters).

Commuting from home, Emily has enough aid to cover her bill and will receive a refund of \$1,175 per semester. In one year, she would borrow \$5,500. However, if she does not need a refund, she could choose to decline the unsubsidized loan altogether, reducing her loan debt to \$3,500 for the year.

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.