



Fall 2016 Bill for Taylor - Upper Middle Income Example

Case Study¹: Taylor 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 \$6,000. 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. Taylor's family consists of 4 people (mom, dad, and one sibling) and her parents earn about \$72,000 per year. Taylor compares the cost of living on-campus versus commuting from her 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	\$ -
Federal SEOG Grant	\$ -
NYS TAP Grant ³	\$ 250.00
SUNY Tuition Credit	\$ 72.35
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	\$ 4,072.35

Federal Pell Grant	\$ -
Federal SEOG Grant	\$ -
NYS TAP Grant ³	\$ 250.00
SUNY Tuition Credit	\$ 72.35
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	\$ 3,072.35

Amount Due (excluding textbooks) \$ 6,269.15

Amount Due (excluding textbooks) \$ 778.15

Discussion: Based on Taylor's family income, she does not qualify for a Federal Pell Grant and qualifies for the minimum NYS TAP Award. Taylor calculates that she will owe \$6,269 per semester if she lives on-campus. Additionally, she would need to pay out-of-pocket for textbooks. Taylor'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). Taylor is unable to afford the payment plan and determines she would need to borrow a total of \$20,039 her freshmen year to cover her costs (\$3,500 subsidized loan, \$2,000 unsubsidized loan, \$2,000 Perkins loan, and \$12,539 private loan per semester).

Commuting from home, Taylor's out-of-pocket expense is significantly reduced, but she would still need to pay \$778 per semester to the college. She could utilize any of the payment methods described above. If Taylor can pay out-of-pocket using the payment plan, she will only borrow \$5,500 for the academic year versus \$20,039 if she lived on-campus.

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.